

**GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION NO.2583
TO BE ANSWERED ON 04.08.2021**

Coal Auction

**2583. SHRI SHANMUGA SUNDARAM K.:
SHRI VELUSAMY P.:**

Will the Minister of Coal be pleased to state:

(a) whether the Government is having any proposal for auction based coal linkage for companies with long term Power Purchase Agreements (PPAs) for obtaining coal supply from Coal India Ltd (CIL);

(b) if so, the details thereof;

(c) if not, the reasons therefor;

(d) whether CIL in the year 2013 had signed FSAs with certain firms producing stipulated MW of capacity;

(e) if so, the total mega watt generated by these firms against the target fixed; and

(f) whether the benefit of concession in coal supply will be passed on to the consumer by reduction in unit cost and if so, the details thereof?

ANSWER

MINISTER OF PARLIAMENTARY AFFAIRS, COAL AND MINES

(SHRI PRALHAD JOSHI)

(a) to (c): SHAKTI Policy was introduced on 22.05.2017 for providing coal linkages to various categories of power plants. Para B (ii) of SHAKTI Policy provides for granting long term coal linkages through auction route to the power plants having long term Power Purchase Agreements (PPAs). Under Para B (ii) of SHAKTI policy, 3 rounds of linkage auctions have been conducted so far whereby about 33 Million Tonnes (MT) coal linkage has been successfully booked by the participating power plants for obtaining coal supply from Coal India Limited (CIL). The round-wise performance is as given below:

Round	Conducted by	Conducted during	Successful bidders	Qty. Booked (Mt)	Discount on Tariff (in paise/unit)
Round 1	CIL	Sept' 2017	10	27.18	1-4 paise
Round 2	CIL	May'2019	8	2.97	4-7 paise
Round 3	PFCCL	May'2020	5	2.80	7-10 paise

(d): Ministry of coal on 17.7.2013 through Presidential Directive advised CIL to sign Fuel Supply Agreement & supply of coal to the Thermal Power Plants (TPPs) commissioned or likely to be commissioned by 31.3.2015.

(e): Information is being collected.

(f): Para B(ii) of SHAKTI policy provides that CIL/SCCL may grant coal linkages on notified price on auction basis for power producers/IPPs having already concluded long term PPAs (both under section 62 and section 63 of The Electricity Act, 2003) based on domestic coal. Power producers/IPPs, participating in auction will bid for discount on the tariff (in paise/unit). The discount by generating companies would be adjusted from the gross amount of bill at the time of billing.

Accordingly, coal supply is made by CIL to the FSA holders, who have obtained linkages under B(ii) linkage auctions.
