

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2573
ANSWERED ON:12.03.2010
USE OF SURPLUS COAL FROM CAPTIVE BLOCKS
Bhoi Shri Sanjay;Sule Supriya

Will the Minister of POWER be pleased to state:

- (a) whether the Government proposes to permit the companies executing Ultra Mega Power Projects to use the surplus coal from their captive blocks to fuel their other power projects;
- (b) if so, the details thereof;
- (c) whether the move will substantially boost coal capacity and speed up power projects stuck due to lack of fuel linkages;
- (d) if so, whether the Government proposes to provide incentives to power projects, if it helps in reducing tariff for consumers and also helps in the faster development of projects;
- (e) if so, the details thereof and the benefits likely to be accrued thereby; and
- (f) the extent to which the decision is likely to help the States which were in the need of power and has helped in providing fuel linkages to power projects?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI)

- (a) & (b): Yes, Madam. The Central Government has granted, in-principal, approval to the supply of surplus quantity of coal upto a maximum of 9 million tons per annum from the coal mines of Moher, Moher Amlori extension and Chhatrasal allocated to M/s. Sasan Power Limited, a subsidiary of M/s. Reliance Power Limited, to the thermal power plant of 3960 Mega Watts owned and managed by M/s. Chitrangi Power Private Limited, Chitrangi Tehsil, Singrauli District, Madhya Pradesh, which is also a subsidiary of M/s. Reliance Power Limited for generation of thermal power, subject to the condition that M/s. Reliance Power Limited shall hold minimum of 51% of voting equity share capital of M/s. Chitrangi Power Private Limited at all times during the continuance of the above referred power project and mines.
- (c): This would facilitate optimal utilization of the coal reserves and to that extent would support additional power generation capacity.
- (d) & (e): In respect of incentives to the power projects are concerned, the benefits are available to the eligible mega power projects including UMPPs under Mega Power Policy.
- (f): The above decision will help Madhya Pradesh to get power from Chitrangi Project. The details in respect of individual projects in other States will depend on the facts of that particular project.