

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:4049

ANSWERED ON:13.08.2015

Linking of Coal Contracts with Power Tariff

Pradhan Shri Nagendra Kumar;Raut Shri Vinayak Bhaurao;Shewale Shri Rahul Ramesh;Shinde Dr. Shrikant Eknath;Singh Deo Shri Kalikesh Narayan;Vanaroja Smt. R.;Venugopal Dr. Ponnusamy

Will the Minister of COAL be pleased to state:

- (a) whether there is any proposal to link coal contracts with power tariff in the country and if so, the details and the objectives for such linking;
- (b) whether the Coal India Limited proposes to allot fuel supply contracts to State distribution companies that in turn will call tariff-based competitive bids from companies on the lines of ultra-mega power projects and if so, the details thereof;
- (c) the status of existing contracts in case new system is implemented; and
- (d) the status of the policy to auction CIL supplies to the companies and the time by which it is likely to be launched?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF COAL, POWER AND NEW AND RENEWABLE ENERGY
(SHRI PIYUSH GOYAL)

(a)to(d): An Inter-Ministerial Committee (IMC) has been constituted in the Ministry of Coal on 12.01.2015 to consider various models including auctioning of coal linkages/LoAs through competitive bidding as the selection process and to recommend the optimal structure that would meet the requirements of all the stakeholders.

In order to conduct the auction of the Coal Linkages to non-regulated sector which covers Cement, Sponge Iron, Captive Power and others through competitive bidding, a draft auction methodology and an approach paper has been prepared for public consultation. On 04.06.2015, the members of the public and stakeholders concerned were requested to submit their comments/views on the draft auction methodology. The IMC has not submitted its final recommendations, including those regarding regulated sector.
