

Accordingly, the Bill to amend the Mines and Minerals (Development and Regulation) Act, 1957 seeking to introduce competitive bidding system for allocation of coal blocks for captive use was introduced in the Rajya Sabha. After detailed examination by the Standing Committee on Steel and Coal and after having further consultations with the State Governments and stakeholders, the Mines and Minerals (Development and Regulation) Amendment Bill, 2008 regarding introduction of competitive bidding system for allocation of coal blocks for captive use was passed by the both Houses of Parliament and the Amendment Act has been notified in Gazette of India (Extraordinary) on 9th September, 2010. The Amendment Act provides for grant of reconnaissance permit, prospecting licence or mining lease in respect of an area containing coal and lignite through auction by competitive bidding, on such terms and conditions as may be prescribed. This, would however, not be applicable in the following cases :-

- v where such area is considered for allocation to a Government company or corporation for mining or such other specified end use;
- v where such area is considered for allocation to a company or corporation that has been awarded a power project on the basis of competitive bids for tariff (including Ultra Mega Power Projects).

The Government has notified 'the Auction by Competitive Bidding of Coal Mines Rules, 2012' in the Gazette of India on 02.02.2012. Further, allocation of coal blocks would be made as per the amended provisions of the Act and the rules framed thereunder.

#### **Fuel supply agreement**

3274. SHRI T.M. SELVAGANAPATHI : Will the Minister of COAL be pleased to state :

- (a) whether it is a fact that the board of the Coal India Ltd. (CIL) has approved the draft fuel supply agreement for coal;
- (b) if so, the details thereof;
- (c) whether it is also a fact that CIL has been directed to ink FSAs with 80 per cent supply clause before March end for power plants that have been commissioned on or before December 31, 2011;
- (d) if so, the details thereof;
- (e) whether Government is considering to provide concession to power plants that have come or commissioned even after the deadline fixed by Government in a reasonable level; and
- (f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL) : (a) and (b) Yes, Sir. The Coal India Limited (CIL) Board in its 282nd meeting held on 16.04.2012 has approved the modified model Fuel Supply Agreement (FSA) for new thermal power plants commissioned after 01.04.2009. The modified model of the Fuel Supply Agreement is in respect of the thermal power plants, identified by the Central Electricity Authority/Ministry of Power and having long term Power Purchase Agreements (PPAs) with Distribution Companies (DISCOMS), which have been commissioned between 01.04.2009 and 31.12.2011.

(c) and (d) CIL was directed by the Government on 17.02.2012 to sign FSAs with the abovesaid eligible power plants by 31.03.2012 for supply of full quantity of coal mentioned in the Letters of Assurance (LoAs) for a period of 20 years, to be reviewed after every five years, with trigger level of 80% for levy of disincentive and 90% for levy of incentive.

(e) and (f) The instructions of Ministry of Coal of 17.02.2012 for signing of FSAs equally apply to the thermal power plants identified by the Central Electricity Authority/Ministry of Power and having long term Power Purchase Agreements (PPAs) with Distribution Companies (DISCOMS), which have been/would be commissioned after 31.12.2011 but before 31.03.2015, with the difference that the time limit of 31.03.2012 for signing of FSAs will not apply in their case.

#### **Coal linkage to thermal power projects in Bihar**

3275. SHRI UPENDRA KUSHWAHA : Will the Minister of COAL be pleased to state :

- (a) whether Bihar Government has submitted any proposal for allocation of long term coal linkage to the coal based thermal power projects in the State;
- (b) if so, the details thereof and by when it is likely to be awarded; and
- (c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL) : (a) to (c) Yes, Sir. Applications seeking long term coal linkage/Letter of Assurance for the power projects proposed to be set up at Barauni, Muzaffarpur (Extension), Chausa, Kajara and Pirpainti were received from the Bihar State Electricity Board. These applications were forwarded to Ministry of Power for their comments/recommendations and Ministry of Power has recommended four of these projects, except Muzaffarpur (Extension), for grant of Letters of Assurance (LoA). As per procedure, these recommendations are to be placed before the Standing Linkage Committee (Long Term) (SLC(LT)) for Power in its meeting, as and when held, to consider authorization of LOAs for power projects.