

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.

However, as more than 80,000 MW linkages/LOAs already exist against which power projects are likely to come up during 12th Plan, *prima facie*, there appears no scope to consider any further power projects for the grant of linkages/LOAs. Therefore, no time frame for providing long term coal linkage to the power projects mentioned above can be visualized at this stage.

Allocation of coal blocks through bidding

†3276. SHRI SHIVANAND TIWARI :
SHRI RAVI SHANKAR PRASAD :

Will the Minister of COAL be pleased to state :

- (a) whether it is a fact that the decision to allocate coal blocks in the country through bidding was taken in 2005;
- (b) if so, the date on which the decision was taken and whether this decision has been implemented;
- (c) if not, the details thereof and by when this decision would be implemented; and
- (d) whether it is also a fact that 155 coal blocks have been allocated without following any fixed procedure after 2005?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL) : (a) to (c) Initially a proposal for introduction of allocation of coal blocks through competitive bidding by amendment of the Coal Mines (Nationalisation) Act, 1973 was circulated in 2005 for inter-ministerial consultations. After discussions and deliberations at various levels, a view emerged that the bidding system be introduced through amendment of Mines and Minerals (Development and Regulation) Act, 1957.

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 Amended 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

† Original notice of the question was received in Hindi.