

months in case the area falls in forest land) in case of under ground mine, from the date of allocation. If the coal block is not explored, additional two years are allowed for detailed exploration and three months for preparation of geological report. The allocatees of coal blocks, who have not started production so far, are in various stages of obtaining statutory clearances and mining lease, preparing mining plan, acquisition of land, procuring machinery and equipment etc. for both mining as well as end-use project.

### Fuel Supply Agreement

4808. SHRI N.K. SINGH: Will the Minister of COAL be pleased to state:

- (a) whether it is a fact that Coal India Ltd (CIL) has been given a directive to sign Fuel Supply Agreements with power producers;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether these FSA includes the provision of imported coal;
- (d) if so, the price fixed for imported and domestic coal; and
- (e) the steps taken by CIL to increase domestic production of coal in the country?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL ): (a) and (b): The Government had, *inter-alia*, decided that Coal India Limited (CIL) will sign Fuel Supply Agreements (FSAs) with the power plants identified by Central Electricity Authority/Ministry of Power that have entered into long term Power Purchase Agreements (PPAs) with Distribution Companies (DISCOMS) and have been commissioned/would get commissioned between 1.4.2009 and 31st March, 2015. The Board of Coal India Limited (CIL) could not, however, take a final view on the implementation of these instructions even after deliberating on the matter in its various meetings. In view of the need and urgency for making adequate coal available to the power utilities and to get the instructions implemented, Ministry of Coal had to issue the Presidential Directive on 4.4.2012 for implementation of these instructions.

(c) If CIL is not in a position to supply the committed quantity of coal from domestic sources, it would have the option to supply the balance quantity of Coal, *inter-alia*, through import.

(d) The price fixed for imported coal would be on cost plus pricing mechanism including service charges of CIL, to be decided later. Domestic coal will be supplied at prices notified by CIL.

(e) CIL has taken the following major measures to increase coal production during the Twelfth Plan Period:

- (i) while production from existing and completed projects of CIL is expected to decline from 218.37 MT in 2011-12 to 192.42 MT in 2016-17, production from ongoing projects is programmed to increase from 227.63 MT in 2011-12 to 300.18 MT in 2016-17. Additional 63.8 MT is envisaged to come from future new/expansion projects to be taken up during Twelfth plan.
- (ii) modernization and mechanization of existing mines
- (iii) implementing ongoing projects in a time bound manner to achieve targeted production as per schedule.
- (iv) liaisoning with the concerned Ministry/Departments of State and Central Governments to obtain Environmental Clearance/Forest Clearance of the coal projects within the schedule time frame
- (v) efforts being made in consultation with the State Government agencies to acquire and posses land for new and expansion projects.

#### **Hike in coal prices**

4809. SHRI BAISHNAB PARIDA: Will the Minister of COAL be pleased to state :

- (a) whether it is a fact that the Coal India Limited has hiked its coal prices under a new mechanism;
- (b) whether it is also a fact that public and private power producers along with other economic sectors have warned of a considerable escalation in power generation costs;
- (c) whether it is also a fact that prices of related products will also go up for consumers all over the country; and
- (d) the steps the Ministry is taking to roll back the hike in coal prices?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL): (a) and (b) With the switching over to new grading system of coal *i.e.* Gross Calorific Value (GCV) system from the erstwhile Useful Heat Value (UHV) system, the Coal India Limited (CIL) finalized new prices on the basis of Rupees per Million Kilo calorie heat value by providing various discounts on ex-unload port price of imported Coal. This became the contributing factor for actual