

mine opening permission granted to 12 Schedule II coal mines. Rest of the Schedule II coal mines are in the process of starting mining operations after obtaining necessary statutory clearances as well as appointment of mining contractor. The mining operation has also commenced in 1 Schedule III coal mine.

(b) Total 21 coal mines out of 74 allocated so far fall in the State of Jharkhand, of which 5 are Schedule II coal mines. The mine development and production from the coal mines located in Jharkhand is hampered mainly on account of forest clearances over deemed forest land and grant of mining lease. Meetings have been held regularly with the successful allocatees and the officials of the Government of Jharkhand to expeditiously resolve the issues hampering coal mine development.

(c) The information is being collected and will be laid on the Table of the House.

#### **Safeguards for coal linkages**

807. PROF. M. V. RAJEEV GOWDA: Will the Minister of COAL be pleased to state:

(a) whether the safeguards established for coal linkages would lead to de-regulation of market;

(b) if so, the details thereof;

(c) whether the Letter of Assurances given to power projects during 2009, 2010 and 2011 would be converted to Fuel Supply Agreements this fiscal; and

(d) if so, how it would improve the electrification of rural households?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI PIYUSH GOYAL):

(a) and (b) The policy on auction of linkages of non-regulated sector has been circulated to all concerned on 15.02.2016. As per this policy, all allocations of linkages/LoAs for non-regulated sector viz. Cement, Steel/Sponge Iron, Aluminium, and Others [excluding Fertilizer (urea) sector], including their CPPs, shall henceforth be auction based. The proposed auction of coal linkages is transparent, and ensures a level playing field. It ensures that all market participants have a fair chance to secure the coal linkage, irrespective of their size. The auction methodology leads to the price discovery through a market mechanism; it does not seek to maximize revenue. It attempts to ensure an optimal allocation of coal across user industries and geographies.

(c) As per New Coal Distribution Policy (NCDP), 2007, Standing Linkage Committee (Long-Term) [SLC (LT)] recommends the Letters of Assurances (LoAs) for supply of coal. Based on the SLC (LT)'s recommendation, so far 177 LoAs have been issued to

various power plants covering capacity of approximately 1,08,000 MW. Out of the 1,08,000 MW capacity, the competent authority in 2013 had approved signing of Fuel Supply Agreements (FSAs) in respect of 78,535 MW capacity post-2009 power plants which were already commissioned by then or were likely to be commissioned by 31.03.2015. Actual coal supplies were to be available when the required long term Power Purchase Agreements (PPAs) with Distribution Companies (DISCOMs) were tied up. A Presidential Directive to this effect was issued to Coal India Limited (CIL) on 17.07.2013. The power projects of the remaining capacity of approximately 30,000 MW have not been authorized for signing of FSAs.

SLC(LT) in its various meetings held during the calendar years 2009 to 2011 recommended for issuance of LoA to power plants for an aggregate capacity of about 35,786 MW. Out of this, 15,945 MW capacity was included in the list for signing of FSA in the Presidential Directive dated 17.07.2013. FSAs for supply of coal have been signed with these plants except Mihan TPP of Abhijit MADC Nagpur Energy (P) Limited and Ukai TPS (Extension Unit-6) Songadh, Gujarat (Tapering Linkage), where the FSA could not be signed due to the reasons not attributable to Coal India Limited. The balance 19,841 MW capacity, which were not part of the above Presidential Directive dated 17.07.2013, have not been authorized for signing of FSAs and for supply of coal.

However, under the capacity of 78,535 MW, there were 24 units (power plants) of about 9910 MW with tapering linkages approved for signing of FSAs. As the basis for grant of tapering linkages had ceased to exist by virtue of de-allocation of coal blocks subsequent to the orders passed by the Hon'ble Supreme Court during August and September, 2014, there was no rationale to continue with tapering linkages any further and these were discontinued with effect from 01.07.2015. Accordingly, tapering FSAs have ceased. At present, the commissioned plants out of these are getting coal supply on best effort basis through MoU route. This arrangement has been extended upto 30.06.2016.

(d) Central Electricity Authority (CEA) has informed that with the conversion of LoA to FSA, the coal supply to these Thermal Power Plants would be firmed up and these plants would be able to get regular supply of coal. This would help in the efforts to provide reliable supply of electricity to all, including households.

#### **Environmental clearance to MCL**

808. SHRI RANJIB BISWAL: Will the Minister of COAL be pleased to state:

(a) whether it is a fact that the Ministry of Environment, Forests and Climate Change has deferred its decision of granting environmental clearance to Mahanadi Coalfields Ltd. (MCL) for setting up of coal washery in Odisha;