

**MINISTRY OF COAL
RAJYA SABHA
UNSTARRED QUESTION NO.2090
TO BE ANSWERED ON 15.03.2021**

Plans for sustainable energy security

2090. SHRI RAJMANI PATEL:

Will the Minister of Coal be pleased to state:

- (a) whether Government has any plans to review the New Coal Distribution Policy in the country;
- (b) if so, the details of the plans for sustainable energy security regarding coal; and
- (c) if not, the reasons therefor?

ANSWER

**MINISTER OF PARLIAMENTARY AFFAIRS, COAL AND MINES
(SHRI PRALHAD JOSHI)**

(a): Ministry of Coal, vide OM dated 18th October, 2007, issued New Coal Distribution Policy (NCDP) for sale of coal for all sectors of consumers.

(b) & (c): A number of changes in Coal Linkage Policy have been introduced subsequent to NCDP, 2007. The major changes were introduced in coal linkage policy after 2016 to meet the energy requirements of Power and Non-Power Sector. These changes are:

(i) A policy for Auction of Coal Linkages to Non-Regulated Sector was introduced in February 2016. In this policy, it has been stipulated that all allocation of linkages/Letter of Assurance for non-regulated sector viz. Cement, Steel/Sponge Iron, Aluminum and others {excluding Fertilizer (urea sector)}, including their Captive Power plants (CPPs), shall hence forth be auction based. There is no renewal of existing Fuel Supply Agreement (FSA) except FSAs of Central Public Sector Enterprises (CPSEs) and Fertilizer (Urea).

(ii) A Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India (SHAKTI), 2017 was introduced in May 2017 and subsequent amendment dated 25.03.2019, in which coal linkages are allocated to thermal power plants, on nomination basis to the Central/State sector power plants and through bidding/auction process to power plants in private sector. Under SHAKTI, coal linkages are granted on notified price for power producers having already concluded long term Power Purchase Agreement (PPA), wherein bidder bids for discount on tariff. Coal linkages are also made available to States for competitive tariff based bidding of PPAs.
