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Government of India  
Ministry of Power

'F' Wing, Nirman Bhawan,  
New Delhi, 22<sup>nd</sup> September, 2021

**To,**

1. CMDs/ MDs of coal / lignite based thermal power plants (Central/ State/ Private)
2. Principal Secretary (Power/ Energy) of All States/ UTs
3. Chairperson, Central Electricity Authority

**Subject: Supply of Fly ash to the end users by the power plants to increase fly ash utilization**

It is observed that the demand of Fly Ash has been increasing year on year basis contributing to increase in the Fly Ash utilization. Fly Ash is emerging as a valuable commodity. As the end users of Fly Ash like cement plants, brick kilns, road and construction agencies etc. are commercial ventures and all their input costs are accounted for, Fly Ash should invariably be auctioned through a transparent bidding process.

2. All Coal/lignite based power plants are hereby advised to provide fly ash to the end users for all new commitments for supply of fly ash based on the following guidelines:

2.1 The power plants shall provide the Fly Ash to end users through a transparent bidding process only.

2.2 If after bidding/ auction some quantity of Fly Ash still remains un-utilized, then only, as one of the options, it could be considered to be given free of cost on first come first served basis if the user agency is willing to bear transportation cost.

2.3 If ash remains unutilised even after the steps taken in Paras 2.1 and 2.2 above, TPP shall bear the cost of transportation of Fly Ash to be provided free to eligible projects.

2.4 The end users shall be obligated to source the fly ash from the nearest TPPs to reduce the cost of fly ash transportation. If the nearest TPP refuses to do so, the end user project shall approach Ministry of Power for appropriate directions.

2.5 The transportation cost wherever required to be borne as per provisions of MOEF&CC notification by the power plants, shall be discovered on competitive bidding basis only. Thermal Power Plants shall prepare a panel of transportation agencies every

year based on competitive bidding for transportation in slabs of 50km which may be used for the period. The TPPs shall call for bids well in advance so, that a transportation panel is in place as soon as the previous panel expires. There should not be gap between the expiry of one panel and the finalization of the fresh panel.

2.6 The fly ash will be offered to the end users on the competing demand basis, i.e the end users who offer the highest price for fly ash and seek minimum support for transportation cost will be offered the same fly ash on priority. This will reduce the tariff of electricity and burden on the consumers.

2.7 The power plants may offer fly ash subject to their technical restrictions such as all precautions required for Dyke Stability and Safety etc. The power plants having lower ash utilizations shall make all out efforts to increase the fly ash utilization.

3. All concerned are requested to take necessary action in this regard.

4. This issues with the approval of the Hon'ble Minister of Power and NRE.



(Anand Upadhyay)  
Deputy Secretary to the Govt. of India  
Tel: 23062439

**Copy to:**

- i. Secretary (MOEF&CC), Government of India
- ii. Secretary (MoRTH), Government of India
- iii. Secretary (MoHUA), Government of India
- iv. Secretary, CERC
- v. Secretaries of all SERCs/ JERCs

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PS to MOP, PS to MOSP, Sr. PPS to Secretary (Power), All Joint Secretaries/ EA/ CE (Thermal), Directors/DS, MOP