

No. FU-8/2015-IPC(Vol-V); CN:243554

Government of India

Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, dated 06.04.2022

To,

1. Secretary, Ministry of Coal, New Delhi
2. The Chairperson, Central Electricity Authority, R.K. Puram, New Delhi
3. The Secretary, CERC, Chanderlok Building, Janpath, New Delhi
4. Principal Secretaries/Secretaries (Power/Energy) of all State Governments/UTs
5. Secretaries of all State Electricity Regulatory Commissions/JERCs
6. Chairman/CMDs of all PSUs under administrative control of Ministry of Power
7. CMDs/MDs of Discoms/Gencos of all State Governments
8. DG, Association of Power Producers (APP), New Delhi
9. DG, DCPPA
10. CEO, PFCCL, New Delhi
11. CMD, CIL, Kolkata
12. CMD, SCCL
13. MD/CEO, IEX Ltd, New Delhi
14. MD/CEO, PXIL, Mumbai

Sub: Methodology for allocation of coal as per provisions of Para B(viii)(a) covering Para B(iii) of SHAKTI Policy of Ministry of Coal amended as per Para 2.1 (a) of HLEC Recommendations - Reg

Sir/Madam,

I am directed to refer to this Ministry's letters number dated 23/30/2019-R&R dated 02.12.2019 and 12.05.2020 forwarding therewith the Methodology for allocation of coal as per provisions of Para B (viii) (a) covering Para B(iii) of SHAKTI Policy of Ministry of Coal amended as per Para 2.1 (a) of HLEC Recommendations.

P.to

2. In this regard, the methodologies dated 02.12.2019 and 12.05.2020 is further modified and enclosed.
3. This issues with the approval of Hon'ble Minister of Power & NRE.

Encl: As above

Yours faithfully,



(S.Majumdar)

Under Secretary to the Govt. of India

Tel – 2335-6938

Email: suman.m@nic.in

Copy to:

All JS/CE(Thermal) of Ministry of Power & Economic Advisor, Ministry of Power

Copy for information to: PS to Hon'ble Minister, PPS to Secy.(P), PPS to AS&FA(AU), PPS to AS(SKGR), PPS to AS(VKD),PS to JS(R&R).

Copy to: Technical Director, NIC:- With a request to upload in Ministry of Power website under Current Notices.

Methodology for allocation of coal as per provisions of Para B(viii)(a) covering Para B(iii) of SHAKTI Policy of Ministry of Coal amended as per Para 2.1 (a) of HLEC Recommendations

- i. This methodology has been prepared by Ministry of Power in consultation with Ministry of Coal for allocation of coal to power plants for short term use as per the provision of Para B(viii) (a) covering Para B(iii) of SHAKTI policy.

- ii. **Auction of Coal Linkages:**

Auction of coal linkages shall be carried out under three separate windows for auction of coal linkage under Para B(iii) of SHAKTI Policy for delivery period of 3 months, 6 months and 12 months.

- iii. **Identification of coal for auction:**

Within 30 days of the issue of this order, the Coal Companies (CIL/SCCL) will earmark areas/mines within their subsidiaries, which will be allocated for use as per these guidelines and publish the same on their websites, sufficiently in advance before each auction, indicating the quality of coal (GCV/Grade), the quantum of coal available/proposed for auction, period for which such coal shall be made available and the schedule for start of supply of coal.

- iv. **Periodicity of auctions:**

Auctions for coal linkage under this methodology shall be carried out on a monthly basis in three separate windows having a term period of 03 months, 06 months and 12 months to cater to the dynamic requirements and demand variations in short term and day ahead market in power exchanges. Auctions under these three windows are required to be carried out at regular intervals every month. An annual calendar shall be published on Coal Companies website showing the months in which the auctions will be held. The expenses for conducting such auctions will be recovered by CIL.

