

v. **Eligibility of Power Plants for participation in auctions:**

All such power plants which do not have Power Purchase Agreements (PPAs), shall be allowed to participate for auction of Coal linkage for short term period (maximum upto one year) with conditions specified in this methodology.

vi. **Quantity of coal linkage to a power plant:**

The quantity of Coal linkage which a plant may bid will be decided as per the heat rate, which shall not be more than 2600 kCal/kWhr for the untied capacity of the plant. The CEA will call for applications and publish a list of eligible plants/their heat rate/capacity. Coal linkage shall correspond to a quantity not exceeding the quantity of coal required to operate the untied capacity of the power plant at 85% PLF for the duration of coal linkage.

vii. **Duration of coal linkage:**

CIL/SCCL may grant future coal linkages to Power Producers/ IPPs without PPAs that are commissioned. Coal linkage shall correspond to the consumption of coal by the power plant for its running for a period of 3 months, 6 months and 12 months. Accordingly, the duration for which the coal would be available is given below:

Auction Window	Lifting Period	Utilization Period
3 months	3 months	9 months
6 months	6 months	12 months
12 months	12 months	18 months

There are model FSA already available for various SHAKTI B(viii)(a) auction. The above duration may be captured in the model FSA suitably by CIL/SCCL. CIL/SCCL will upload model FSA which will be uniformly adopted across all coal companies and CIL/SCCL shall follow uniform practices across its coal subsidiaries.



viii. **Allocation of coal linkage:**

The coal linkage shall be given under Para B(iii) of SHAKTI Policy dated 22.05.2017 issued by the Ministry of Coal and its subsequent amendments for the quantum of power for which capacity has already been commissioned and such capacity does not have any Power Purchase Agreements.

ix. **Methodology for Bidding:**

All such power producers/IPP's may participate in auction and bid for a premium above the notified price of coal by the coal companies. The methodology for bidding of linkages shall be similar to the bidding methodology in the policy on auction of linkages of Non-Regulated Sector dated 15.02.2016. As the coal is for short term and for sale of power on Day Ahead Market (DAM) in the power exchange, the base price of coal should be the notified price of the coal by the coal companies.

x. **Agreement for coal supply:**

An agreement for supply of coal for sale of power in short term or power exchange shall be signed with the successful bidders after completion of the auction process.

xi. **Drawl of coal & Reconciliation:**

The generating station shall send monthly signed statements to CEA showing the quantum of coal drawn as per these rules along with the power generated and sold, and the balance coal stocks. In case, it is found that the coal has been diverted, the said generating station shall not be given coal under any policy for a period of three years. The generating company shall send a monthly financial statement to the principal debtors with a copy to CEA showing that the net surplus generated after meeting its operating expenses are being used for remitting its debt.



xii. **Use of power generated through allocated coal linkage:**

The power generated through use of the above coal linkage is to be sold in:-

- a. Day Ahead Market (DAM), through power exchanges, set up as per regulations issued by Central Electricity Regulatory Commission or
 - b. Short Term through a transparent bidding process as per the Guidelines issued by Ministry of Power through Discovery of Efficient Energy Price (DEEP) portal. Ministry of Power vide OM dated 30.03.2016 had issued Guidelines for Procurement of Power for Short Term (i.e. for a period more than one day to one year) by Distribution Licensees through Tariff based bidding process using National e-Bidding portal. The same guidelines, as amended from time to time, shall be followed by Distribution Licensees for procurement of short term power under this methodology.
- xiii. The mechanism issued by Ministry of Power vide OMs dated 05.08.2019 and 20.08.2019 as per the provision of B (viii) (e) of amended SHAKTI policy (i.e. net surplus after meeting the operating expenses generated in this manner shall be entirely used for servicing debt in the first place), shall be complied.
- xiv. The Methodology for allocating coal linkage to power plants for short term use as per Para B(viii) (a) covering Para B(iv) of SHAKTI Policy shall be issued subsequently based on the experience gained in allowing coal linkage for short term use as per above methodology prepared as per provisions of Para B(viii)(a) covering Para B(iii) of SHAKTI policy.

