

2. APS to Hon'ble MoS for Power
3. Sr. PPS to Secretary (Power)
4. All Additional Secretaries/Joint Secretaries, Ministry of Power
5. All Directors/Deputy Secretaries, Ministry of Power

No. FU-21/2020-FSC
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, dated 18.05.2022

To,

1. Principal Secretaries / Secretaries (Power / Energy) of State Governments and UTs
2. CMDs, Thermal Generating Stations (State GENCOs/IPP) (As per the list)

Sub: Direction to all Gencos including Independent Power Producers (IPPs) for timely Import of Coal for blending purposes and maximising production in captive coal mines – reg.

Ministry of Power (MoP) on 07.12.2021 had issued advisory to all domestic coal based power plants to import coal to meet their requirements by blending with imported coal to the extent of 4 % by State Gencos & Independent Power Producers (IPPs). Further, taking into consideration the circumstances and increased demand of electricity while coal supplies from domestic coal companies were not commensurate with the increased consumption of coal, MoP had issued the revised advisory on 28.04.2022 for importing coal for blending purpose to meet the requirement at 10% of the total requirement by 31.10.2022. The requirement for blending for each Genco and IPPs at 10% was also intimated and it was advised to place the awards for import of coal (for blending) by 31.05.2022 in order to ensure that 50% quantity is received by 30.06.2022, 40 % quantity by 31.08.2022 and 10% quantity by 31.10.2022.

2. Due to the recent surge in power demand, the domestic coal supply is not able to match the consumption, resulting in depletion of stocks at thermal power plants. In the light of the emergent situation, it is essential that the imported coal based plants run and the State import coal for blending, as in the previous years. Ministry of Power have issued directions u/s 11 of the Electricity Act that all the imported coal based plants start running and most of them have started running. However, the import by States of coal for blending is not satisfactory. In 2018-19 a total of 21.4 Million Tonnes of coal were imported for blending. In 2019-20, the total import for blending was 23.8 Million Tonnes whereas in 2021-22, it was only 8.3 Million Tonnes. This is the cause of the stress in the availability of coal.

3. In view of the above, it has been decided that if the orders for import of coal for blending are not placed by Gencos by 31.05.2022 and if the imported coal for blending purpose do not start arriving at the power plants by 15.06.2022, all the defaulter Gencos would have to import coal for blending purpose to the extent of 15% (in order to meet shortfall of imported coal for blending purpose in Quarter1 i.e. Apr-June 2022) in the remaining period upto 31.10.2022.

3.1 Since, not much blending has taken place in the months of April and May 2022, the power plants (who have not yet started blending by imported coal) will ensure that they blend coal at the rate of 15 % upto Oct 2022 and thereafter at the rate of 10% from November 2022 to March 2023.

4. Keeping in view the likely less materialization of coal supply from domestic sources as compared with the requirement to meet power demand, it has been decided that domestic coal will be allocated proportionately to all Gencos based on likely availability from 01.06.2022 (as per Annexure attached) and the balance requirement will need to be met from imported coal for blending purpose and target set for production in captive coal mines. If blending with domestic coal is not started by 15.06.2022 then the domestic allocation of the concerned defaulter thermal power plants will be further reduced by 5%. Any additional domestic coal supply available in June 22 will be allocated for stock building to those Gencos which prove commendable level of blending of coal in the month of June 22. Accordingly, revised allocation of domestic coal for the month of July,2022 onwards will be conveyed based on the above methodology.

5. All Gencos are hereby advised to take action accordingly and ensure adequate stocks at their power plants for smooth operation until Oct,2022.

6. This issues with the approval of Hon'ble Minister of Power, New & Renewable Energy.



(S.Majumdar)

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1. Secretary, Ministry of Coal
2. Chairman, Railway Board
3. Chairman, Central Electricity Authority
4. DG, Association of Power Producers(APP)

Distribution for June-2022

	Capacity (MW)	Coal Requirement based on GT(TT)	Target of Import for blending-2022-23 (TT)	Import target for June-22 (TT)	Eqv. Domestic Coal (TT)	Likely availability from Captive Mines (TT)	Balance to be supplied from CIL + SCCL
NTPC	48110	16769	16032	1336	2004	1980	12785
NTPC-JV	8190	2324	2533	211	317	0	2008
NTPC and its JVs	56300	19094	18565	1547	2321	1980	14793
DVC	6750	2281	2235	186	279	0	2002
NTPL	1000	385	0	0	0	400	0
Total-Central Gencos	64050	21760	20799	1733	2600	2380	16795
HPGCL	2510	729	904	75	113	0	616
PSPCL	1760	374	594	49	74	0	300
RRVUNL	7580	2304	966	81	121	1300	1168
UPRVUNL	6129	2163	1896	158	237	0	1925
CSPGCL	2840	1095	1063	89	133	349	659
GSECL	4010	1137	1345	112	168	0	969
MPPGCL	5400	1690	1943	162	243	0	1447
MAHAGENCO	9540	3665	3464	289	433	0	3232
APGENCO	5010	2394	1818	151	227	0	2167
KPCL	5020	1559	1591	133	199	208	1153
TANGEDCO	4320	1643	2194	183	274	0	1369
TSGENCO	5243	2039	1472	123	184	459	1396
TVUNL	420	147	156	13	20	0	128
OPGCL	1740	875	721	60	90	500	285
WBPDCL	4810	1705	1766	147	221	1534	92
Total-State Gencos	66332	23521	21894	1824	2737	4350	16906
IPP	53342	17634	15936	1328	1992	2052	13751
TOTAL	183724	62915	58629	4886	7329	8782	47451

Methodology:

- Coal Requirement for June-2022 is based on Generation Target (62.9 MT)
- Expected Import for blending during June-2022 has been calculated from the target for 2022-23 (4.9 MT)
- Equivalent domestic coal ($1.5 \times \text{Import} = 7.3 \text{ MT}$) and availability from captive mines (8.8 MT) have been reduced from requirement.
- Balance requirement from CIL and SCCL is about 47.5 MT

Proposed Methodology for calculation of compensation due to blending of Imported coal in the Domestic Coal Based Generating Stations supplying electricity under Section 63 of the Electricity Act, 2003

The methodology for calculating ECR chargeable at Delivery point and compensation is given below, which can be adopted for use of imported coal by the Generating companies:

Methodology for calculating compensation due to use of imported coal

Step - 1: ECR domestic Coal _(Deliverypoint) = ECR Quoted

Step - 2: ECR imported Coal _(Deliverypoint) = {[GSHR / GCV of importedCoal] x [Price of importedCoal] x [1 / (1 - Aux Consumption)] x [1 / (1 - Applicable Transmission Losses)]}

Step - 3: ECR Chargeable _(Deliverypoint) = {(G x ECR at Step - 1) + [ECR computed at Step - 2 x (1 - G)]}

Where,

G = % Generation achieved based on Actual domestic Coal received;

GSHR = Normative Gross Station Heat Rate as worked out on the basis of applicable CERC Regulations or actual, whichever is lower;

Aux Consumption = Normative auxiliary consumption as per applicable CERC Regulations or actual, whichever is lower;

Step - 4: Compensation = {(ECR as computed at Step - 3 *minus* ECR Quoted) x Scheduled Generation at Delivery Point}.

Note:

- a) If the actual generation at delivery point is less than scheduled generation at delivery point, it will be restricted to actual generation at delivery point in step 4 above.
 - b) All facts, figures and computations in this regard should be duly certified by the auditor.
 - c) The coal consumed from all the sources on month to month shall be duly certified by the auditor and the same shall be reconciled annually with the Opening Stock, coal received during the year, coal consumed during the year and the closing stock.
 - d) Total Generation Ex-bus and Scheduled Generation Ex-bus on month to month basis as per the meters at the station switchyard bus shall be reconciled with the relevant/SCADA data of SLDC/RLDC and/or Regional Energy Accounting of RPC/RLDC for the month.
2. There are some plants which are supplying electricity under Section 62 as well as 63 of the Act. In such cases the percentage of bending will be assumed to be same for PPAs under Section 62 and 63 of the Act.
3. The recovery of fixed charge shall continue to remain on the same basis as provided in the PPA.