

“SHAKTI” TO SECURE COAL SUPPLY FOR TPPS

Relevant for: Indian Economy | Topic: Infrastructure: Energy incl. Renewable & Non-renewable

Domestic coal is supplied to thermal power plants (TPPs) in accordance with the linkages awarded to them by the Government, for which Fuel Supply Agreements (FSAs) have been signed. Besides, domestic coal is also supplied through e-auction and captive coal blocks.

For the power plants commissioned prior to 2009, the FSAs have been signed based on the consumption pattern by the plants. Subsequently, linkages have been awarded under New Coal Distribution Policy-2007. Presently, the TPPs secure linkages through a new policy named SHAKTI [Scheme for harnessing and Allocating Koyala (Coal) Transparently in India] which was issued by Ministry of Coal in May, 2017.

As per the current import policy, coal is kept under Open General License (OGL) and consumers are free to import coal from the source of their choice as per their contractual prices on payment of applicable duty. Ministry of Power, on 07.12.2021, has permitted import of coal for blending purpose for the period of 2022-23 by NTPC and DVC upto 10% of coal required for ensuring 85% Declared Capacity (DC) of its plants. In respect of State Gencos and Independent Power Producers (IPPs), blending upto 4% has been advised.

This information was given by Shri R. K Singh, Union Minister for Power and New and Renewable Energy in a written reply in Lok Sabha today.

MV/IG

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