



Guidelines
for
Auction of
Coal Linkage
under
SHAKTI Policy
Para B(viii)(a)
covering Para B(iii)

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**Thermal Project Planning & Development Division
Central Electricity Authority**

CEA guidelines for Coal Linkage Auction under SHAKTI Policy

Para B(viii)(a) covering Para B(iii)

Ministry of Power on 02.12.2019 issued 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.

Para B (viii) (a) of amended SHAKTI Policy provides that:

B(viii): Notwithstanding anything in the foregoing paras, is further provided as follows:

(a) All such power plants including private generators which do not have PPAs, shall be allowed Coal Linkage under B(iii) and B(iv) of SHAKTI Policy for a period of minimum 03 months upto a maximum of 01 year, provided further that the power generated through that linkage is sold in Day Ahead Market (DAM) through power exchanges or in short term through a transparent bidding process through Discovery of Efficient Energy Price (DEEP) portal. A methodology in this regard shall be formulated by Ministry of Power in consultation with Ministry of Coal.

In this regard, CEA hereby issues following guidelines to be adopted during operationalization of such coal linkage auctions under SHAKTI B(viii)(a). These guidelines will be governed by the Methodology issued by Ministry of Power on 02.12.2019.

CEA Guidelines

Any commissioned Power plant (single unit or multiple units located in same premise) excluding Captive Power Plants, owned by Govt. or Private companies, may participate for auction of coal linkage for short term period as per MoP methodology dated 02.12.2019, if they are having:

- a. more than 50% of their plant capacity untied (i.e. capacity without long/medium term PPA) on the date of participation in bidding, or;
- b. existing linkage/LoA/FSA/Coal Block* with PPA capacity less than 50% of plant capacity, or;
- c. The Power plants who become successful in SHAKTI B(iii) auction and shall have to bring long/medium term PPA within 2 years, can also participate in this window till such time their long/medium term PPA capacity becomes 50% of their plant capacity.

* Provided however that, in the event a Bidder is undertaking sale of power on a merchant basis using coal from its block, subject to a maximum 15% of generation capacity of its power plant, then the 15% capacity shall be adjusted from the eligible capacity.

Following CEA guidelines will be followed during such auction process:

A. Pre-Auction Activities

1. Coal linkage auction under SHAKTI Policy para B(viii)(a) covering para B (iii) will be carried out for every calendar quarter i.e. for April-June, July-September, October-December and January-March by CIL.
2. To identify the prospective Bidders and to assess the tentative requirement of coal for each quarter, CEA will publish notice on its website as per following calendar:

Sl. No.	Quarter	Notice Publishing Date
1	April-June	15 th January
2	July-September	15 th April
3	October-December	15 th July
4	January-March	15 th October

3. The interested bidders shall submit to CEA the requisite information as per prescribed format attached in Annexure within 15 days from the notice publishing date.
4. In case, for a given quarter, no requisition is received in CEA within the specified time period, no auction will be carried out for that quarter.
5. Eligibility of all the bidders who have submitted requisition for a particular quarter, will be assessed by CEA and the list of eligible bidders will be communicated to Coal India Limited for auction process as per following schedule:

Sl. No.	Quarter	Date of Eligible Bidders Communication to CIL
1	April-June	15 th February
2	July-September	15 th May
3	October-December	15 th August
4	January-March	15 th November

6. For each eligible bidder, CEA will indicate the eligible plant capacity, commissioning status of the plant and eligible coal quantity for participation in the auction. The eligible coal quantity shall be calculated for the eligible plant capacity as per prevailing CEA Norms.
7. The above process will be carried out for every quarter as per given schedule irrespective of any delay in coal supply by the coal company for a particular quarter.
8. CEA reserves the right to not publish notice for inviting bidders for linkage auction for any quarter due to any reasons.

B. Post-Auction Activities

1. After the auction process, CIL will provide the list of successful bidders along with the allotted coal linkage quantity to each successful bidder along with coal source(s) to CEA within 10 days of auction.
2. Concerned coal company shall provide CEA a provisional statement about the DO quantity issued during each month for (monthly quantity/03-months quantity) and coal quantity supplied against DO during each month of the quarter. The same shall be provided by coal company to CEA within 10 days of the following month followed by a final statement of DO(s) issued and quantity supplied during the quarter within 15 days of completion of concerned quarter. For Rail supply, the statement shall contain monthly Rail Program issued by the coal company and against which coal supplied during each month to the successful bidder.
3. Each allottee power plant will provide monthly signed statement to CEA stating the quantity of coal drawn (coal company wise) under this scheme, the quantity of power generated and sold under DAM or Short Term through DEEP Portal, and the balance coal remaining. Such information is to be submitted to CEA latest by 5th of the succeeding month.
4. From these monthly statements, CEA will match the power capacity sold under DAM/DEEP portal with the power capacity equivalent to the coal quantity allocated to each successful bidder under auction process and will identify balance coal quantity at the end of the quarter.
5. Coal Company will intimate CEA within 15 days of complete supply of the allotted coal quantity/drawl by the allottee power plant.

6. Each allottee power plant will submit the monthly statement to CEA till complete utilization of balance coal as indicated above or till 15th of the 4th month from the end of the given quarter, whichever is earlier. For example, for the quarter April-June'20, the maximum available time to utilize balance coal quantity will be by 15th of October'20. Any unutilized coal quantity beyond the 15th of the 4th month from the end of the given quarter will be treated as 'Remaining Balance Coal Quantity'.
7. Coal consumption shall be calculated as per prevailing CEA Norms based on declared Heat Rate of the plant or Heat rate as per CEA Norms, whichever is lower. Aux. Power Consumption shall be as per prevailing CERC Norms and Coal GCV shall be as per billing by the coal company.
8. Based on above, CEA will issue a 'Coal Utilization Certificate' for the given quarter, indicating 'Remaining Balance Coal Quantity', if any, to the allottee power plant (with a copy to CIL & concerned coal company), within 15 days of submission of the statement by the allottee power plant indicating complete utilization of the allotted coal or latest by as per following schedule:

Sl. No.	Quarter	Last Date of issuing Coal Utilization Certificate
1	April-June	31 st October
2	July-September	31 st January
3	October-December	30 th April
4	January-March	31 st July

9. In case it is found that the allotted coal has been diverted, the same shall be communicated to Ministry of Power.
10. Each allottee power plant will also submit monthly financial statement to its 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.

The above guidelines may be revised in future as per experience gathered in due course.

Details of the Power Plant to participate in SHAKTI B(viii)(a) Auction -

Sl. No.	Particulars	Unit	
1	Name of the Bidder & Power Plant		
2	Location of the Power Plant		
3	Capacity of the Power Plant	MW	
4	Type of Fuel (Coal/Washery Reject)		
5	Configuration of the Power Plant (Unit wise Capacity & Date of Commissioning)		U1:.....,DoC:..... U2:.....,DoC:.....
6	Number of PPA(s) and details of each PPA like Short/Medium/Long Term capacity including expiry date (Unit wise PPA details, if applicable)		
7	Capacity of the Power Plant against which there is no valid PPA as on Notice inviting date	MW	
8	Capacity for which coal linkage is sought under SHAKTI B(viii)(a)	MW	
9	Technology (sub-critical, super critical)		
10	Plant Heat Rate	kcal/kWh	
11	Main Steam Pressure	Ata	
12	Whether Motor Driven Boiler Feed Pump (MDBFP) is being used during normal operation	Yes/No	
13	Type of Cooling Tower (IDCT / NDCT)		
14	APC of the power plant	%	
15	Details of Existing linkage/LoA/FSA & duration		
16	Any linkage secured under SHAKTI B(iii)	Yes/No	
17	If yes, details of linkage secured under SHAKTI B(iii)-quantity, grade of coal, date of allotment and duration		
18	Name of the captive coal mine, if any		
19	Peak-rated capacity & Grade of the coal mined from the captive coal mine.	TPA	

Signature & Stamp of the Bidder