

No. FU-8/2015-IPC(Vol-V)(Part-3)

Government of India

Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, the 25th May, 2022

To,

Chairman, Central Electricity Authority

Sub: Procedure for Operationalization of MoP Methodology for allocation of coal linkage under Para B (viii) (a) of SHAKTI Policy – reg.

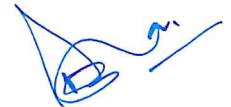
The undersigned is directed to refer to Central Electricity Authority's (CEA) email dated 23.05.2022 on the above mentioned subject.

2. In this regard, it is stated that the following documents for procedure for operationalization of MoP Methodology for allocation of coal linkage under Para B (viii) (a) of SHAKTI Policy, have been approved by the competent authority and are enclosed for necessary action:

- i. Procedure for Operationalization of MoP Methodology dated 06.04.2022 with its annexure I, II & III (**Annexure-A**)
- ii. Calendar of the SHAKTI B(viii)(a) auction (**Annexure-B**)

3. This issues with the approval of Secretary (Power)

Encl: as above



(S.Majumdar)

Under Secretary to the Govt of India

Tel: 2335 6938

Copy to:

1. CE(TPPD), CEA

Procedure for Operationalization of MoP Methodology for allocation of coal linkage under Para B (viii) (a) of SHAKTI Policy

Ministry of Power, on 06.04.2022 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 line with the Methodology issued by Ministry of Power on 06.04.2022, CEA has prepared a procedure for operationalization of such coal linkage auctions under SHAKTI B(viii)(a)

Any commissioned power plant (single unit or multiple units located in the same premise) owned by Govt. or Private Companies, may participate for auction of coal linkage for short term period as per MoP methodology dated 06.04.2022 for the capacity for which no PPA has been tied up."

A. Pre-Auction Activities

1. Coal linkage auction under SHAKTI B(viii)(a) will be carried out in every month.
2. Interested Bidders have to submit their EOI requisition to CEA along with plant details as per format attached in **Annex-I**.
3. 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.
4. If the eligible capacity is less than the total capacity for which the coal linkage is sought, then capacity for which the coal linkage is sought for the different auction window will be proportionally decrease with respect to the eligible capacity.
5. Eligibility of all the bidders who have submitted requisition for a particular auction window, will be assessed by CEA

Calendar for SHAKTI B(viii)(a) auction is given below:

Notice for EOI requisition	1 st of every month
Last date for EOI submission	5 th of every month
List of eligible bidders communicated to CIL by CEA	10 th of every month
List of successful bidders communicated to CEA by CIL	Last day of month

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 up to the last day of month.
2. The capacity for which linkage is sought by any bidder for a particular auction window will not be considered for subsequent auction for that particular period till the completion report of that auction is received by CEA from CIL.
3. While determining the eligible capacity for any month, the capacity of the month and the subsequent months will only be considered. The capacity

considered for the three product for a month shall not exceed the aggregate total non-PPA capacity.

4. Coal Company will intimate to CEA the amount of coal lifted by the allottee power plant within 15 days of completion of supply period of the allotted coal quantity
5. After the completion of Utilization period, allottee power plant submit signed statements to CEA stating the quantum of coal drawn under SHAKTI B(viii)(a), the power generated and sold and the balance coal remaining.
6. Along with the above statements, the bidders are also required to submit the self-declaration for use of the power generated from the allocated coal in accordance with the prevailing MoP Methodology. Copy of self-declaration is attached as **Annex-II**
7. CEA will issue Coal Utilization Certificate on the basis of self-declaration and as per Standard Operating Procedure attached as **Annex-III**. The period of auction window, duration of lifting, utilization of coal and date of issuance of coal utilization certification is as under:

Auction Window	Lifting Period from date of signing FSA	Utilization period from date of signing of FSA	issuing Coal Utilization Certificate from date of signing of FSA
3 months	3 months	9 months	10 months
6 months	6 months	12 months	13 months
12 months	12 months	18 months	19 months

8. Any unutilized coal quantity beyond the schedule as given above in the table will be treated as 'Remaining Balance Coal Quantity'. However, the utilization of such 'Balance Coal Quantity' shall be accounted for in the subsequent period.
9. In case it is found that the allotted coal has been diverted or has not been utilized as per intended purpose appropriate action may be taken against the allottee power plant.
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.

This issues with the approval of the Competent Authority.

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) (Gross PPA)		
7	Capacity of the Power Plant against which there is no valid PPA as on Notice inviting date (Gross PPA)	MW	
8	Capacity for which coal linkage is sought under SHAKTI B(viii)(a) for 3 months Auction window	MW	
9	Capacity for which coal linkage is sought under SHAKTI B(viii)(a) for 6 months Auction window	MW	
10	Capacity for which coal linkage is sought under SHAKTI B(viii)(a) for 12 months Auction window	MW	
11	Plant Heat Rate	kcal/kWh	
12	Technology (sub-critical, super critical)		
13	Main Steam Pressure	Ata	
14	Whether Motor Driven Boiler Feed Pump (MDBFP) is being used during normal operation	Yes/No	
15	Type of Cooling Tower (IDCT/NDCT)		
16	APC of the Power Plant	%	
17	Details of Existing linkage/LoA/FSA & duration		
18	Any linkage secured under SHAKTI B(iii)	Yes/No	
19	If yes, details of linkage secured under SHAKTI B(iii)-quantity, grade of coal, date of allotment and duration		
20	Name of the captive coal mine, if any		
21	Peak-rated capacity & Grade of the captive coal mine	TPA	

Signature & Stamp of the Bidder

Self-Declaration

The undersigned is authorized to hereby declare that the(*Name of the Specified End use Plant*)..... of the company(*Company Name*).....was allocated(*Coal Quantity allotted*).... of coal from(*Name of the Coal Company*).....under(*Tranche name*)..... (auction window) of SHAKTI B(viii)(a) auction covering SHAKTI B(iii). Out of the allotted coal quantity, the said plant has lifted(*Coal quantity lifted*).... of coal and has utilized(*Coal quantity utilized*)..... of coal quantity after selling power, generated from the above allotted coal, in Day Ahead Market (DAM) through power exchanges and Short Term PPAs acquired through DEEP Portal. The balance coal quantity remaining unutilized is(*balance coal quantity*)..... at the end of the permissible period.

I do hereby declare that the information given above is true to the best of my knowledge and accordingly, the Coal Utilization Certificate for the said Tranche and auction window may please be issued. In case, any deviation is found in the above information, my power plant will be responsible for the same and necessary action in this regard may be taken as per specified guidelines.

Signature of the Authorized Signatory

Name & Designation of the Authorized Signatory:

Name of the Power Plant:

Stamp of the Power Plant:

Date:

Place:

(Note: Details of the coal quantity allocated, lifted and utilized, along with the details of selling power in DAM through Power Exchanges/ in short term PPAs through DEEP Portal are to be provided in separate Annexure.)

Revised Standard Operating Procedure (SOP) for issuing Coal Utilization Certificate to a Power Plant for coal allotted under SHAKTI B(viii)(a) covering SHAKTI B(iii)

1. As per MoP methodology dated 06.04.2022, all the bidders who have been allocated coal under SHAKTI B(viii)(a) are required to submit monthly signed statements to CEA stating the quantum of coal drawn under SHAKTI B(viii)(a), the power generated and sold and the balance coal remaining.
2. These monthly signed statements submitted by the bidders will be treated as self-declaration by the bidders regarding the coal quantity drawn and utilized for a particular auction window under SHAKTI B(viii)(a) auction.
3. Along with the above statements, the bidders are also required to submit the declaration for use of the power generated from the allocated coal in accordance with the prevailing MoP Methodology. Currently, the power generated so, may be sold in Day Ahead Market (DAM) through power exchanges set up as per regulations issued by CERC and Short Term through a transparent bidding process as per the guidelines issued by Ministry of Power through DEEP Portal.
4. After complete utilization of the allocated coal, a bidder may submit a self-declaration for complete utilization of the coal with a request to issue the Coal Utilization Certificate.
5. Based on the monthly signed statements and the self-declaration submitted by the bidder, a “Coal Utilization Certificate” will be issued to the bidder (with a copy to CIL) indicating following:
 - a. Name of the Period (3months/6 months/12 months) of SHAKTI B(viii)(a) scheme
 - b. Total coal quantity booked in the given Period
 - c. Total coal quantity supplied to the bidder in the given Period
 - d. Total coal quantity utilized by the bidder in Power Exchanges/DEEP portal as per prevailing MoP methodology
 - e. Balance coal quantity remaining unutilized, if any
6. 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.

7. In case any balance coal is remaining unutilized as per the above statement, the same is also to be used by the bidder only in Power Exchanges/DEEP Portal as per prevailing MoP methodology.
8. The Coal Utilization Certificate will be issued by CEA once in a year indicating total coal quantity utilized by the bidder during the year for various auction window or as the case may be. However, the Coal Utilization Certificate may also be issued to the bidder as per its request, prior to completion of the year.
9. The coal grade and total coal quantity supplied to the bidder during the given period by the coal company may be obtained by CEA from Coal India Limited (CIL) for verification purpose.
10. Further, the details of the power selling by the bidder in power exchanges (for trading in DAM)/DEEP Portal may be verified by CEA at any time. In case it is found that the coal allocated under the scheme has been diverted, the matter will be dealt as per the prevailing MoP methodology.

Calendar for SHAKTI B(viii)(a) auction as per the MoP Methodology for allocation of coal linkage under Para B (viii) (a) of SHAKTI Policy dated 06.04.2022

Coal linkage auction under SHAKTI B(viii)(a) will be carried out in every month for each of the three auction windows i.e., 3 months, 6 months and 12 months. Date wise details of the various events in the auction process are as follows:

Notice for EOI requisition	1 st of every month
Last date for EOI submission	5 th of every month
List of eligible bidders communicated to CIL by CEA	10 th of every month
List of successful bidders communicated to CEA by CIL	Last day of month