



Coal India Board clears the way for 'Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India' (SHAKTI)

Auction of coal linkages to Independent Power Producers (IPPs) having long-term Power Purchase Agreement (PPA) have been concluded successfully

27.18 Million Tonnes of annual coal linkages have been booked by 10 successful bidders

Major boost to 24x7 Affordable 'Power for All' vision of Government

Annual generation of over 47 billion units per annum from the linkage coal, and an estimated savings in tariff of approx Rs. 125cr per annum for period upto 25 years

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The Coal India Limited (CIL) Board today cleared the decks for signing of Fuel Supply Agreement (FSA), for supply of coal. Auction of coal linkages to Independent Power Producers (IPPs) having long-term Power Purchase Agreement (PPA) have been concluded successfully by CIL whereby 27.18 Million Tonnes of annual coal linkages have been booked by 10 successful bidders.

In a major boost to 24x7 Affordable 'Power for All' vision of Government, these FSAs are expected to result in an annual generation of over 47 billion units per annum from the linkage coal, and an estimated savings in tariff of approx Rs. 125cr per annum for period upto 25 years.

The introduction of SHAKTI policy by Government replaced the earlier discretion based system of granting coal linkages. This transformation has helped in achieving accountability in allocation of coal. It has ensured access to coal for several stressed plants thereby also helping the banking sector and overall economy. It will also help in affordable power through transparent bidding on the basis of discount on tariffs.

Under the new policy guidelines for allocation of coal linkages to various segments of power sector issued by Ministry of Coal, CIL/SCCL are to grant coal linkages on notified price on auction basis for IPPs having already concluded domestic coal based PPAs. The bidding parameter will be levelised discount on existing tariff that the IPP is willing to provide. The likely benefit arising out of the weighted average discount on tariff as quoted by the bidders for 2.72 paise/kWh will be around Rs. 127 Crores per annum.

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