

No. 23011/19/2015-CPD  
Government of India  
Ministry of Coal

Shastri Bhawan,  
New Delhi the 15<sup>th</sup> October, 2015

Chairman,  
Coal India Limited,  
Coal Bhawan, New Town,  
Rozar Hat, Kolkata – 700156

**Subject: Modalities of e-auction for power sector – Special Forward e-auction**

The undersigned is directed to refer to Ministry of Coal's OM of even number dated 30.06.2015 regarding opening of two e-auction windows for power sector (5 MT + 5 MT) followed by broad guidelines for the same vide OM of even No. dated 21.08.2015. CIL vide their letter No. CIL/S&M/special e-auction/880 dated 12.10.2015 has furnished the outcome and feedback along with suggestions for further improvement of the scheme of special e-auction. Taking into account the said inputs of CIL, the following has been decided:

1. The balance quantity of approximately 8.5 MT may be offered under the traditional scheme of 'Forward e-auction' for Power Producers upto 31.03.2016 with the following modifications:
  - i. This forward e-auction may be open only for end use plants in the 'Power Sector', with the reserve price of 20% above the notified price applicable for the power sector. The power plants being commissioned in 2015-16 may also participate in the e-auction, however, for commencement of coal supply, a commissioning certificate from CEA shall be required.
  - ii. Captive Power Plants (CPP) can provide 49% of their power generated to the grid. Further, CPPs shall not draw power from the grid to the extent of their own generated power i.e. 51% of capacity. Therefore, CPPs may also be allowed to bid in this forward e-auction for power sector, as a one-time exception.
  - iii. Since, at present, CPPs are treated under non-power sector, non power price (which is higher than the price applicable for power sector) is charged from them. Therefore, the reserve price for CPPs may be fixed as 20% above the price applicable for non-power consumers. CPPs may be allowed to bid alongside IPPs/Gencos, but if the bid is won by the CPP, the price for the CPP shall be determined applying the same percentage increase over the reserve price applicable for CPPs, as per the mechanism proposed by the CIL.
  - iv. Since there is no stipulation or requirement of PPA for the Forward e-auction, there shall be no requirement of any type of PPA to be eligible for bidding in this e-auction.
  - v. The documentation required to be produced for this scheme shall be the same as required under the normal Forward e-auction scheme of CIL.

Besides, an affidavit may be furnished by prospective bidders affirming that the coal being procured shall only be utilised for power generation and own consumption.

- vi. Since bidders have to use the coal for power generation only, after generating Power, a certificate may also be obtained confirming the quantity of Power generated from such coal. At the end of every quarter, the coal supplied to each TPP under such e-auction shall be informed by CIL to the concerned State DISCOMs/PTC/Power Exchange/Power Traders etc. The State DISCOMs/PTC/Power Exchange/Power Traders will issue a certificate to IPP with a copy to CIL regarding power supplied to them by IPP during the quarter. IPP would submit these certificates and coal consumed for this purpose to CIL for reconciliation.
  - vii. The facility for Third Party Sampling shall be available to the successful bidders.
2. This scheme may be termed as Special Forward e-auction.
  3. The operational details may be worked out by CIL, including those pertaining to EMD, BG etc.
  4. The mechanism thus devised may be given due publicity before the process of auction to the prospective bidders.

This has approval of Hon'ble Minister for Power, Coal & NRE.

19-11-2015  
(Pilli Ravi Kumar)

Under Secretary to the Government of India

Copy to :

- (i) Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi
- (ii) Director (Marketing), Coal India Limited, Coal Bhawan, New Town, Rozar Hat, Kolkata – 700 156

Copy also for information to:

- (i) PSO to Secretary, Ministry of Coal
- (ii) PPS to Additional Secretary (Coal), Ministry of Coal
- (iii) PPS to JS(RKS), Ministry of Coal
- (iv) Director (CPD)

Copy also to Director NIC, MOC for placing the same on the website of this Ministry.

19-11-2015

(Pilli Ravi Kumar)

Under Secretary to the Government of India