

**BEFORE THE TELANGANA STATE ELECTRICITY REGULATORY COMMISSION
AT HYDERABAD**

O.P No.10 of 2016

Between:-

1. Southern Power Distribution Company of
Telangana Limited, #6-1-50, Corporate Office,
1st Floor, Mint Compound, Hyderabad – 500 063.
2. Northern Power Distribution Company of
Telangana Limited, # 2-5-31/2, Corporate Office,
Vidyut Bhavan, Nakkalagutta, Warangal – 506 001.

.....Petitioners

AND

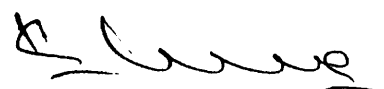
-NIL-

.....Respondent

ADDITIONAL SUBMISSIONS OF TSDISCOMS

1. In pursuance of the directions given by this Hon'ble Commission during the hearing held on 09.11.2020 through Video Conference, the Petitioners hereby submit the status of the compliance to the directions given by this Hon'ble Commission in the Interim Order dated 30th July 2016 passed in the present Petition as below.
2. In the aforesaid Interim Order, the Hon'ble Commission directed the Petitioner to negotiate with the NTPC authorities to amend the Clauses, wherever necessary, in respect of the issues identified in the PPA provisions, by specifically directing that **“the amended clauses shall meet the views expressed by the Commission and to file the draft agreement by incorporating the amendments, as directed for according consent/approval to the PPA, after hearing all the persons and stakeholders “**.

Page 1 of 17


CHIEF GENERAL MANAGER/IPC & NAG
TSSPDCL, Corporate Office,
6-1-50, Mint Compound,
HYDERABAD-500 063.

3. As directed by the Hon'ble Commission in the Interim Order, the Petitioners (TSDISCOMS) vide letter dated 26th September 2016 addressed NTPC seeking to modify the Clauses in the PPA in respect of Telangana STPP Phase-I (2x800 MW). NTPC vide its letter dated 14th October 2016 responded to the aforesaid letter of the Petitioner and furnished its views/comments against each issue as submitted below together with the replies of TSDISCOMS.

(i) Issue - Jurisdiction on determination of Tariff

Commission's Views - Though tariff has to be determined by CERC under Section 79 (1)(a) of the Electricity Act, 2003, yet TSERC is vested with powers under Section 86 (1)(b) of the Electricity Act, 2003 to regulate the PPA, which covers price and terms of the PPA entered by TSDISCOMs for supplying the power procured from the project within the State of Telangana.

NTPC Views - As Telangana STPP Phase-I Project is owned by NTPC /Govt. of India, NTPC cited the jurisdiction of CERC for tariff determination of generating companies owned by Central Government under Section 79 (1) (a) of the Electricity Act 2003 and also quoted the Rule-8 of the Electricity Rules 2005, which mandated that the tariff determined by CERC shall not be re-determined and the State Commission may determine whether a DISCOM should enter into PPA with such generating companies based on the tariff determined by CERC. Hence NTPC stated that this Telangana STPP Project comes under the jurisdiction of CERC only, though set up in Telangana State.

TSDISCOMs Submission - As directed by the Hon'ble Commission, TSDISCOMs obtained a legal opinion from Sri.Y.Rama Rao, Advocate, High Court of Telangana and filed before this Commission, who has also endorsed the tariff determination for Telangana STPP by CERC only.

The Hon'ble Commission is prayed to accept the jurisdiction of CERC on tariff determination of Telangana STPP Phase – I (2 x 800 MW) in view of the mandatory provisions of the Electricity Rules, 2005 read with the Electricity Act, 2003 provisions.

(ii) Issue - Allocation of total capacity of the NTPC Plant to the State of Telangana

Commission's Views/Direction – The Hon'ble Commission observed that since NTPC Telangana STPP (4000 MW) is exclusively allocated to Telangana State under A.P. Reorganisation Act 2014, it has directed TSDISCOMS to amend the Clauses-2.2.1 and 2.2.2 for allocation of 100% Capacity to TSDISCOMS, as below.

2.2.1 and 2.2.2

“2.2.1 Entire capacity of the NTPC plant is exclusively allocated to the state of Telangana. In turn allocation of the capacity shall be made between the procurer(s) that is TSSPDCL and TSNPDCL by the State Government or the State Electricity Regulatory Commission”.

“2.2.2 The entire capacity allocated between procurer(s) by the State Government or the State Electricity Regulatory Commission shall be the contracted capacity. The procurer(s) shall draw electricity against the above contracted capacity limited to the amount of the Letter of Credit (LC) opened and maintained by them. The NTPC shall intimate SRLDC/SLDC from time to time regarding the quantum of capacity procurer(s) is eligible to draw”.

NTPC Views –

- (a) The Ministry of Power, Government of India vide letter dated 16.03.2016 has allocated 85% Capacity (power) to the State of Telangana.
- (b) Moreover, a certain percentage of power is retained as unallocated quota by the Government of India, which may change from time to time. Hence, the existing PPA has relevant provisions accordingly. Therefore no amendment is proposed.

TSDISCOMs Submission –

- (a) The Government of Telangana (Chief Secretary) vide letter dated 04.10.2014 had addressed the Chairperson, **CEA** (functioning under the Ministry of Power), New Delhi, requesting for 100% power allocation from NTPC Telangana STPP Phase-I to the State of Telangana.
- (b) However, the Ministry of Power, Govt. of India vide letter dated 25.02.2019 has allocated 85% of the total Capacity of 4000 MW (i.e. 3400 MW) to Telangana State and retained the balance 15% Capacity (i.e. 600 MW) as **unallocated power**, which would be placed at the disposal of the Central Government for allocating to other States based on their requisition, subject to the condition that beneficiaries ensuring compliance with the financial and commercial terms (including coverage for Letter of Credit) of the PPA signed with NTPC (copy of the Ministry of Power letter No.5/4/2018-Th-II, dated 25.02.2019 annexed as **Annexure-I**).

- (c) The allocation of power (Capacity) to DISCOMs in Central PSUs like NTPC (Thermal Stations) by the Ministry of Power (Govt. of India), is based on the prevailing power allocation guidelines.
- (d) Since NTPC being a Central PSU, owned by the Govt. of India, it shall have to follow the allocation given by the Ministry of Power and it cannot act contrary to the directions of the Ministry of Power. As such, the Standard PPA with NTPC provides for allocation of Capacity to beneficiaries, in percentage of total Capacity as per the Ministry of Power, Govt. of India, **without any indication of specific quantum in the PPA** (as at Clause-2.2).
- (e) The Hon'ble Commission may kindly note that unlike the PPAs entered by other beneficiary States with NTPC, this particular PPA was entered with TSDISCOMs only, which means that Telangana State is the **Sole beneficiary, having allocation of entire 85%** in the Project and no other State is having share in this allocated quantum (unlike power sharing by other beneficiaries in other PPAs).
- (f) Further, the Telangana STPP Phase-I (2x800 MW) is State grid connected project and the power from this project will be evacuated by TSDISCOMs through STU (TSTRANSCO) Transmission Network as directed by the Hon'ble Commission. Therefore, other States do not have direct Network access to NTPC Telangana STPP Phase-I (2 x 800 MW) for evacuating power from Telangana STPP except through STU Network of Telangana. If other States seek to draw the balance 15% Capacity **unallocated power**, then they have to necessarily incur

additional Transmission charges payable to TSTRANSCO in addition to PoC Charges payable to PGCIL, which is generally not preferred by those States.

- (g) Further, the kind attention of this Hon'ble Commission is drawn to the CERC generating tariff Regulations, 2019 (valid for the period FY 2019-24), which regulate the tariff of CGS stations, have stipulated a specific condition in respect of unallocated power, as extracted below:

“.....

CHAPTER -13 (SCHEDULING, ACCOUNTING AND BILLING)

.....

55. Billing and payment of Charges:

(1).....


(2).....

Note-1

Shares or allocations of each beneficiary in the total capacity of Central sector generating stations shall be as determined by the Central Government, inclusive of any allocation made out of the unallocated capacity. The shares shall be applied in percentages of installed capacity and shall normally remain constant during a month. Based on the decision of the Central Government, the changes in allocation shall be communicated by the Member-Secretary, Regional Power Committee in advance, at least three days prior to beginning of a calendar month, except in case of an emergency calling for an urgent change in allocations out of unallocated capacity. **The total capacity share of a beneficiary would be sum of its capacity share plus allocation out of the unallocated portion. In the absence of any specific allocation of unallocated power by the Central Government, the unallocated power shall be added to the allocated shares in the same proportion as the allocated shares.**

.....”

- (h) As could be seen from the above CERC Tariff Regulations 2019, for computing the Capacity charges payable by a Beneficiary in a month, the Total Capacity share would be reckoned as **sum of its Capacity**


CHIEF GENERAL MANAGER/IPC & RAC
TSSPDCL, Corporate Office,
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share (allocated) plus allocation out of the unallocated Capacity portion and in case the Central Government does not allocate the unallocated power to any other State, the unallocated power quantum will be added to the allocated shares in the same proportion as the allocated shares. Since Telangana (TSDISCOMs) is **Sole Beneficiary State**, having entire 85% Capacity allocation in the NTPC Telangana STPP Phase-I (2x800 MW) Project and the Project switchyard being connected to STU Network, the balance 15% unallocated Capacity would also be allocated to Telangana State, which in effect deemed that 100% Capacity is allocated to Telangana DISCOMs.

- (i) **Thus the CERC Tariff Regulations 2019, have facilitated the 100% Capacity allocation out of the NTPC Telangana STPP Phase-I (2 x 800MW) to TSDISCOMs.**
- (j) However, TSDISCOMS/TSPCC through the State Government have been pursuing with the Ministry of Power, Govt. of India for 100% **Firm allocation** of the Capacity in NTPC Telangana STPP Phase-I (2 x 800 MW), so as to avoid any ambiguity in future (**Annexure-II**).

In light of above submissions, and in line with subsisting PPA provisions already entered with NTPC in respect of other Projects, the Hon'ble Commission is prayed to grant exemption from amending the PPA as directed in the Interim Order.

(iii) Issue – Connecting to the CTU Network for evacuation of power –

Commission's Views - The NTPC Project can be connected to TSTRANSCO's Network and TSTRANSCO can lay the required line for evacuation of the power from the NTPC plant, this will avoid PoC charges & Losses of PGCIL. Accordingly, the Clauses-3.2, 3.3 and other Clauses of PPA, wherever necessary, shall have to be amended appropriately.

NTPC Views – NTPC agreed to the direction that Project connectivity & evacuation from NTPC Telangana STPP Phase-I shall be through STU Network (TSTRANSCO) only as directed by the Hon'ble Commission and also agreed for amendment of relevant Clauses in the PPA(**Annexure-III**).

TSDISCOMs Submission –

- (a) As directed by the Hon'ble Commission, for power evacuation from the NTPC Telangana STPP Phase-I (2x800 MW) Switchyard, TSTRANSCO has laid necessary 400KV Lines and also Installing 400KV Substations and connecting Bays, which works are nearing completion.
- (b) As such, necessary amendment is being carried out in the PPA as below:

“

.....

3.1 Sale of electricity shall be at the bus bars of the Station and it shall be the obligation and responsibility of Procurer(s) to make the required arrangement for evacuation of electricity from delivery point (Bus bar) of Tn STPS-I.

3.2.....

3.3 Charges for utilization of transmission system(s) for transmission/wheeling of the electricity beyond bus bar of the Station shall be paid directly by procurer(s) to the Transmission Licensee.

.....”

Therefore, the Hon'ble Commission is prayed to accept the submission and approve the amendment proposed.

(iv) Issue – Generation of Power less than Threshold level –

Commission's Views –

- (a) The Hon'ble Commission observed that regarding non-operation of the plant exclusively on account of failure of NTPC other than **force majeure** conditions, there shall be a penalty clause for the non-operating period of the plant, to have equitable liability on both sides.
- (b) The Commission directed TSSPDCL to negotiate with NTPC on this account and modify the relevant clauses suitably.

NTPC Views –

CERC Tariff Regulations stipulated the penalty provision for the generating Companies in case the generating station does not achieve the Normative Plant Availability Factor, as the Generating Station recovers Fixed (Capacity) Charges based on the cumulative Plant availability factor achieved based on Declared Capacity (DC). Hence, there is no need to amend the clause.

TSDISCOMs Submissions –

- (a) The Central Generating Power Plants are governed by CERC generating Tariff Regulations, issued from time to time.
- (b) The CERC Regulations have already provided for penalty on generating stations, by way of reduced Capacity charges payable to them on pro rata basis, for achieving lesser Plant Availability Factor (PAF) vis-à-vis

the Normative Annual Plant Availability Factor (Normative Annual PAF @ 85% in general). This reduced Capacity charges payment itself is a penalty and therefore the thermal generating plants always endeavour to maintain cumulative PAF upto its Normative Annual Plant Availability, in order to recover its Full Fixed Charges, except during Force Majeure events.

- (c) Since the point of evacuation of power from Central Generating Stations is **Ex-Bus of the NTPC generating plant**, and if the **generating plant achieves its normative Plant Availability (PAF) for the billing period, then it is the obligation of TSDISCOMS to evacuate such** power and the generating plants are entitled to claim full Fixed Charges.
- (d) In case of any Network constraint for power evacuation from the NTPC Project, which is not attributable to generating station/NTPC, full Capacity (fixed) charges are payable by DISCOMS as per CERC Tariff Regulations.
- (e) However, if a NTPC generating Station is non-operating, it cannot declare its plant availability / readiness to generate power; therefore it cannot achieve the normative PAF as fixed by CERC. Hence it would lose the Fixed charges during the non-operating period.
- (f) Even the Tariff Regulation issued by this Hon'ble Commission in the year 2019 adopted the same procedure (as fixed by CERC) for State generating plants. No other penalties have been stipulated in the TSERC Tariff Regulation, 2019, as directed in the TSERC Interim order.

In light of above submissions, TSDISCOMs pray the Hon'ble Commission to kindly exempt from such a direction for negotiation with NTPC (for incorporation of additional penalty during non-operating period of the generating plant), which has not been stipulated either in CERC or in TSERC Tariff Regulations 2019.

(v) **Issue – Delivery points of NTPC (giving scope for NTPC Plant)**

Commission's Views/Directions –

- The clause 3.1 of PPA should be modified to incorporate in the PPA that power shall be evacuated from delivery point of NTPC Telangana STPP phase-I (2 x 800MW) only.

NTPC Views –

- NTPC agreed for such amendment.

TSDISCOMs Submissions –

- As directed by the Hon'ble Commission, necessary amendment for clause 3.1 is proposed to be carried out in the PPA as below.

.....
3.1 Sale of electricity shall be at the bus bars of the Station and it shall be the obligation and responsibility of Procurer(s) to make the required arrangement for evacuation of electricity from delivery point (Bus bar) of Tn STPS-I.

3.2.....
....

(vi) Issue – Allocation of Coal Linkage from Odisha Coal Mines -

Commission's Views / Directions –

- (a) The Commission observed that the cost of transportation of coal from Odisha Coal Mine is higher compared to the cost of coal available from mines of Singareni Collieries (SCCL) in view of their vicinity to Telangana STPP.
- (b) The Commission directed the DISCOMs to pursue with Coal India Limited, the Ministry of Power, and the Ministry of Coal (Government of India) through the State Government, for allocation of linkage of coal from Singareni mines instead of Odisha State mines for NTPC Telangana STPP.

NTPC Views – No comments furnished by NTPC.

TSDISCOMs Submissions –

- (a) The NTPC Limited was allotted **Mandakini-B Coal block** in Odisha State for **Captive mining** for supply of Coal to NTPC Telangana Super Thermal Power Project (STPP) Phase-I by the Ministry of Coal (MOC), Govt. of India.
- (b) The coal requirement for the NTPC would be **8 MTPA (Million Tons per Annum)** based on estimated GCV of coal between 3,200 to 3900 Kcal/Kg.
- (c) The Ministry of Coal, accorded In-principal approval for grant of **Tapering linkage** from Coal India Limited (CIL) for the NTPC Telangana STPP Phase-I, **till the commencement of coal supplies from Mandakini-B Coal Block.**

- (d) Accordingly, Coal India Limited allotted **Tapering Coal Linkage** for the NTPC Telangana STPP Phase-I, from Western Coal fields (WCL).
- (e) As directed by the Hon'ble Commission, the **Special Chief Secretary, Energy Department, Govt. of Telangana** vide letter dated 21.07.2020 (**Annexure-IV**) requested the Secretary, Ministry of Coal, Govt. of India to consider shifting of the existing Tapering Linkage of WCL to Singreni Collieries Company Limited (SCCL), due to proximity of SCCL mines and as a policy of rationalization of coal linkages for optimization of Transportation cost, in order to supply electricity to Telangana State consumers at affordable prices. Even the Ministry of Power has also recommended for shifting of tapering coal linkage.
- (f) The Standing Linkage Committee (under the Ministry of Coal) considered the request of Government of Telangana & Ministry of Power and recommended for shifting of existing coal linkage from WCL to SCCL & directed NTPC to submit necessary application for grant/shifting of tapering linkage (copy annexed as **Annexure-V**)
- (g) Further, TSDISCOMs have been pursuing with Govt. of India (Ministry of Coal) through State Government & Ministry of Power, as directed by this Hon'ble Commission for shifting of regular long-term coal linkage to SCCL, Telangana from Odisha(**Annexure-VI**).

In light of the above, the Hon'ble Commission is requested to appreciate the steps taken up by the Govt. of Telangana and TSPCC & TSDISCOMs in arranging necessary coal linkage to Telangana STPP Phase-I (2x800 MW) from SCCL.

(vii) Issue – Provision for Termination of agreement is one sided –

Commission's Views/Directions –

- The Hon'ble Commission observed that the clause on termination of Agreement by NTPC was not equitable and directed to modify the Clause-12.4 to provide for the other party to issue notice for termination.

NTPC's View –

- NTPC stated that the Sub-clause 12.4 may have to be read together with Clause 12.0 (Successors and permitted assigns) to get the intent of the clause.

TSDISCOMS Submission –

- (a) The issue of termination of PPA under Clause-12 arises only when TSDISCOMs are re-organized and assigned to Private Organization/ Successors and in order to ensure Payment Security Mechanism subsequently, NTPC seeks to establish the Letter of Credit & ESCROW mechanism before assignment of PPA to successor's entities. If the successor entities do not fulfil the pre-requisites on Payment Security Mechanism, this clause would enable NTPC for such termination of PPA.
- (b) NTPC seeks to invoke the above termination provision only during such cases.
- (c) The PPAs with NTPC in respect of other Thermal power projects also provided identical clauses(**Annexure-VII**).

Therefore, TSDISCOMS would request the Hon'ble Commission to exempt from such direction for amending the clause in the PPA.

(viii) Issue – Acquisition of the Plant after completion of agreement term -

Commission Views:

- The Commission agreed with the submission of the DISCOMs, but it desired that endeavour should be made by TSDISCOMS to provide for **Buy-out clause** as the NTPC project is being established exclusively for Telangana State.

NTPC View –

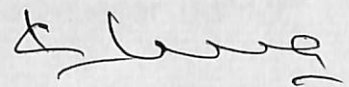
- CERC Regulations do not provide for **Buy-out** of the plant after 25 years. Since the Commission agrees with the submissions of DISCOMs which is in line with the above.

TSDISCOMS Submission –

- (a) The Hon'ble Commission made this observation based on the objections/suggestions raised by some of the objectors in the Public Hearing held on 20.06.2016, by considering the Buy-out provision in case of Gas based power projects (PPAs) set up by IPPs.
- (b) Whereas the Telangana STPP Phase-I is being set up by NTPC, a Central PSU, owned by the Govt. of India, and the Project tariff is being governed by CERC Tariff Regulations, which do not provide for such Buy-out conditions.
- (c) Further, TSERC tariff Regulation, 2019 also have not provided for such Buy-out condition for State generating Companies.

Therefore, TSDISCOMs would pray the Hon'ble Commission to exempt from such direction.

4. In light of elaborate submissions made above, the Hon'ble Commission may kindly permit the TSDISCOMs to sign a Supplementary Agreement with NTPC in respect of Telangana STPP Phase-I (2 x 800 MW) to the extent of terms mutually agreed as explained above, which will be submitted to the Commission for granting consent to the PPA dated 18.01.2016 entered by TSDISCOMS with NTPC.



PETITIONERS

CHIEF GENERAL MANAGER / IPC & RAC
TSSPDCL, Corporate Office,
6-1-50, Mint Compound,
HYDERABAD-500 063.

**BEFORE THE TELANGANA STATE ELECTRICITY REGULATORY COMMISSION
AT HYDERABAD**

O.P No. 10 of 2016

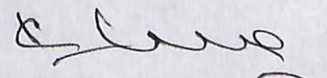
IN THE MATTER OF:

According approval to the two Power Purchase Agreements (PPAs) i.e, one entered into between NTPC Limited and Southern Power Distribution Company of Telangana State Limited (TSSPDCL) and the other one between NTPC Limited and Northern Power Distribution Company of Telangana State Limited (TSNPDCL) for sale of power from the Telangana Super Thermal Power Project (Phase I) (2 x 800 MW) being located in Ramagundam, in Karimnagar District, Telangana State.

AFFIDAVIT IN SUPPORT

I, Mr. P.Krishnaiah, S/o Mr. P.Ramulu aged about 57 years, residing at Hyderabad, do hereby solemnly affirm and state as under:

1. I am the Chief General Manager (IPC&RAC)/TSSPDCL, the Petitioner in the present petition and I am conversant with the facts of the case, and hence able to depose the present affidavit.
2. I say that the contents of the accompanying additional submissions are based on the records of the Petitioner maintained in the normal course of business and believed by me to be true.
3. I say that the annexures filed along with the accompanying submissions are true copies of their respective originals and form part of record of the case.


DEPONENT

VERIFICATION:

I, the deponent named above, do hereby verify that the contents of my affidavit are true to my knowledge, no part of it is false and nothing material has been concealed therefrom.

CHIEF GENERAL MANAGER /IPC & RAC
TSSPDCL, Corporate Office,
6-1-50, Mint Compound,
HYDERABAD-500 063.

Verified at Hyderabad on this ^{19th} day of November, 2020.


DEPONENT

Signed Before me

Page 17 of 17


SUPERINTENDING ENGINEER /RAC
TSSPDCL, Corporate Office,
6-1-50, Mint Compound,
HYDERABAD-500 063.

CHIEF GENERAL MANAGER /IPC & RAC
TSSPDCL, Corporate Office,
6-1-50, Mint Compound,
HYDERABAD-500 063.

Annerure - I



No. 5/4/2018-Th-II
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi dated 25th February, 2019

To,

1. Chairperson,
Central Electricity Authority,
Sewa Bhawan,
R.K.Puram,
New Delhi-110066.
2. Chairman & Managing Director,
NTPC Limited,
Scope Complex, Lodhi Road
New Delhi-110003
3. Member Secretary,
Southern Regional Power Committee,
Central Electricity Authority,
No. 29, Race Course Cross Road,
Bangalore-560 009

Sub: Allocation of power generated from Telangana Super Thermal Power Project (4000MW) Phase-I (2x800 MW) and Phase-II (3x800MW) of NTPC Ltd. in Peddapalli District in Telangana - regarding.

Sir,

I am directed to refer to this Ministry's letter No. 5/4/2018-Th-II dated 16.03.2016 and to say that the Government of India has approved the allocation of 85% power to the State of Telangana, generated from the Telangana Super Thermal Power Project (4000MW) Phase-I (2x800 MW) and Phase-II (3x800MW) of NTPC Ltd. in Peddapalli District, in Telangana, being implemented by NTPC Ltd. with effect from the date of commercial operation of the plant.

2. Balance 15% of the generation capacity from both the power plants will remain earmarked as 'unallocated power' and this generation capacity is placed at the disposal of Central Government for generally meeting urgent / contingent requirements of States / UTs from time to time. The details of allocation of power are as under:

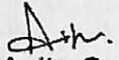
SOUTHERN REGION	NET SHARE (MW)	% OF INSTALLED CAPACITY
TELANGANA	3400 MW	85.00
UNALLOCATED	600 MW	15.00
TOTAL (SR)	4000 MW	100.00

A. S. R.

3. The aforesaid allocation will be operative for pro-rata distribution to the quantum of electricity mentioned above, based on auxiliary consumption, planned outage, forced outage, availability of fuel/water etc. and after taking into account transmission losses.

4. The above allocation will further be subject to the Power Purchase Agreements (PPAs) entered into by NTPC Limited with State Power Utilities and will further be subject to the beneficiaries ensuring compliance with the financial and commercial terms (including coverage for letter of Credit) of the PPA signed with NTPC Ltd. the tariff notification, any tripartite/bi-partite agreement signed with NTPC and any other directives/guidelines issued by the Government of India/Central Electricity Regulatory Commission from time to time.

Yours faithfully,


(Anita Saini)

Under Secretary to the Govt. Of India

Tele: 2371-9710

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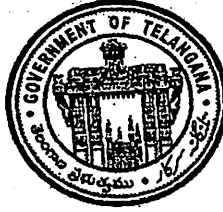
1. Chief Secretary, Government of Telangana, C- Block, 3rd Floor, Telangana Secretariat, Hyderabad, Telangana - 500022.
2. Shri S.G.P. Verghese, Director, Cabinet Secretariat, Rashtrapati Bhawan, New Delhi w.r.t. communication No.7/CM/2019(i) dated 11.02.2019 forwarding therewith the minutes of the meeting of the Cabinet held on 06.02.2019 (Case No.43/7/2019).

Copy for information:

1. PS to Minister of State (I/C) for Power, Coal and NRE
2. PPS to Secretary (Power)/ PPS to AS (P)/PPS to JS(Thermal)/PS to CE(OM)/ PA to Director(Thermal)

Annexure - II

AJAY MISRA, I.A.S.,
Special Chief Secretary to Government



ENERGY DEPARTMENT

Government of Telangana
Room. No. 433, 3rd Floor, D-Block,
T.S. Secretariat, Hyderabad - 500022
Off: 040-23453305
Fax: +91-40-23455452
E-mail: prlsecy_energy@telangana.gov.in

D.O. Letter No. 324/PR.II/2020, Dt. 10.03.2020

Dear

Sanjeev Sahai,

Sub: Energy Department - TS TRANSCO - Request for allocation of 100% Power to the State of Telangana from the 1600 MW (2x800MW) Telangana Super Thermal Power Project Phase-I of NTPC being set up at Ramagundam, Telangana - Reg.

- Ref: 1. D.O.Lr.No.1207/Power-I/2014, dt.26.03.2014.
2. D.O.Lr.No.1207/Power-I/2014, dt.09.05.2014.
3. MoP, Government of India letters dated 16.03.2016 & 25.02.2019.

* * *

Your kind attention is invited to the provision of A.P. Reorganization Act, 2014 under Schedule-XIII, whereunder it is stipulated that NTPC shall establish 4000 MW power-facility in the successor State of Telangana after establishing necessary coal linkages.

2. In pursuance of the said provisions, D.O letters cited (1) & (2) above were addressed to the Ministry of Power, requesting to dedicate the entire capacity of NTPC Telangana Super Thermal Power Station Phase-I (2x800 MW) of 4000 MW being set up at Ramagundam to Telangana State, in line with earlier dedicated allocation from NTPC Simhadri Stage-I to united A.P State.

3. However, to bring your kind notice that vide ref. (3) cited, 85% of Power only has been allocated to Telangana State from the proposed NTPC Stage-I, retaining the balance 15% as unallocated power at the disposal of Central Government.

4. In view of the above, I would request you for arranging necessary order on 100% power allocation to Telangana State from Stage-I (2x800 MW) of 4000 MW NTPC Telangana Super Thermal Power Project.

With *regards,*

Yours sincerely,

Ajay Misra
(AJAY MISRA)

Sri Sanjeev Nandan Sahai,
Secretary to Government,
Ministry of Power, Govt. of India,
Rafi Marg, Shram Shakti Bhavan,
New Delhi - 110 001.

Annexure-2

**TELANGANA STATE POWER COORDINATION COMMITTEE
VIDYUT SOUDHA :: HYDERABAD**

From
The Joint Managing Director
(Fin., Comml & HRD),
TSTRANSCO
Vidyut Soudha,
Hyderabad - 82.

To
The Spl. Chief Secretary to Govt.,
Energy Department, GoTS,
TS Secretariat
Hyderabad



Lr.No.JMD/CE(Comml)/SE(IPC)/F.NTPC/D.No.23/20, dt: 06.03.2020

Sir,

Sub: TSPCC-IPC Wing-Allocation of 100% power to State of
Telangana from the proposed 1600 MW (2x800 MW) at
Ramagundam - Requested - Reg.

Ref: 1.D.O.Lr.No.1207-1/Pr.I/2014, Dt.04.10.2014 of CS/GoTS
addressed to CEA, New Delhi
2. MoP, GoI Lrs dated 16.03.2016 & 25.02.2019.
3. Lr.No.CMD/CE(Comml)/SE(IPC)/F.NTPC/D.No.28/18,
dt:06.03.2018

Your kind attention is drawn to the previous request made by the Chief Secretary, Telangana State vide letter dated 4th October 2014 addressed to the Chairperson, Central Electricity Authority, wherein, the Central Government was requested to ensure allocation of entire 4000 MW of Power from the Thermal Power Project being set up by NTPC under two stages (2x800 MW-Stage-I & 3x800 MW-Stage-II) at Ramagundam, to Telangana State in pursuance of the provisions of A.P. Reorganization Act, 2014.

In response, the Ministry of Power, Govt. of India vide letter dated 25.02.2019 informed the allocation of 85% power from the aforesaid Telangana Super Thermal Power Project to Telangana State while retaining the balance 15% as unallocated power at the disposal of Central Government for meeting urgent/contingent requirement of States/UTs from time to time.

589

In light of the above, it is requested to address the Ministry of Power for 100% power allocation to Telangana State from the Stage-I (2x800 MW) of NTPC Telangana Super Thermal Power Project, as per the State Reorganization Act.

Yours sincerely,



Joint Managing Director
(Fin., Comml & HRD)/TSTRANSCO

Annexure - III



एन टी पी सी लिमिटेड
(भारत सरकार का उद्यम)

NTPC Limited
(A Govt. of India Enterprise)

केन्द्रीय कार्यालय/Corporate Centre

Ref.No.01: CD: 356

Date: 15.01.2020

The Chief Engineer (Comml.)
TSPCC
Vidhyut Soudha
Hyderabad-82

Sub: PPA dated 18.01.16 of NTPC Telangana Phase-I (2X800MW)

- Ref 1) TSPCC Ltr dated 06.01.2020
2) TSPCC mail dated 10.01.2020

Sir,

This has reference to the meeting held between NTPC and TSPCC on subject in your office on 13.01.2020 with regard to clause 3 (TRANSMISSION/ WHEELING OF ELECTRICITY) of the PPA signed on 18.01.16 between NTPC and Telangana DISCOMs for Telangana Stage-I Thermal Power Project. As discussed, since the evacuation of electricity for Telangana Stage-I shall be through the system as decided in Standing Committee meeting dtd 19.11.2016, therefore it is proposed that

- a) Clause 3.1 and 3.3 be modified in line with the views of Hon'ble TSERC
b) Clause 3.2 be deleted from the signed PPA dated 18.01.16

The draft document to be signed by parties to affect the above is enclosed herewith for further submission to TSERC by your kind office.

With kind regards,

Yours sincerely,


15.01.2020
Rohit Chhabra
AGM (Commercial)

SE/IPC
Dmf
16/1/2020

PPA of NTPC Telangana Phase-I (2X800MW)

PPA for Telangana Ph-I (2X800 MW) was signed with TSSPDCL/TSNPDCCL on 18.01.16. Following clause/s of the above PPA are now revised as under:

3.1 shall read as under

"Sale of electricity shall be at the busbars of the Station and it shall be the obligation and responsibility of Procurer(s) to make the required arrangement for evacuation of electricity from delivery point (Busbar) of TnSTPS-I."

→ 3.2 deleted

→ 3.3 shall read as under

"charges for utilization of transmission system(s) for wheeling of the electricity beyond busbar of the Station shall be paid directly by procurer(s) to the Transmission Licensee."

This shall be an integral part of PPA signed on 18.01.16 between TSSPDCL/TSNPDCCL and NTPC.

Signed on thisday of.....2020

For NTPC

For TSSPDCL

For TSNPDCL

Witness 1)

2)

Annexure - IV

Annexure - IV

AJAY MISRA, I.A.S.,
Special Chief Secretary to Government



ENERGY DEPARTMENT

Government of Telangana
Room No. 133, 3rd Floor D-Block,
T.S. Secretariat, Hyderabad - 500022
Off. Ph: 23453305
Fax: 491 40-23456457
E-mail: priscy_energy@telangana.gov.in

D.O. Letter No. 674/Power.II/2020-1, Dt:-21.07.2020

Dear *Sri Anil Jain,*

Sub:- Energy Department - SCCL - Rationalization of Tapering coal linkage for NTPC Telangana Power Project - Reg.

Ref: From the Chairman & Managing Director, SCCL, Letter No.CMD/PS/H/77, Dt:20.07.2020.

I am to invite kind attention to the subject referred above and inform that as per the Andhra Pradesh Re-organisation Act 2014, NTPC has to set up additional units at Ramagundam plant for supply of electricity to the State of Telangana. Accordingly, two units of each 800 MW capacity are in advanced phase of construction and are likely to be commissioned in FY 2021-22.

2. The coal requirement for these two upcoming plants is to be met from the coal block allotted to NTPC. To bridge the coal requirement until commencement of coal production from the captive coal block (Mandakini-B), these plants are allocated with Cost-plus Tapering coal linkage from Western Coalfield Limited (WCL).

3. NTPC, Ramagundam is a pit head plant of SCCL mines and SCCL is already supplying coal as per the Long Term linkage given by Ministry of Coal, Govt. of India for a quantity of 11.2 MT. Further, SCCL is ready to supply coal to the upcoming units of NTPC as sufficient spare coal is available.

4. Considering the proximity of SCCL mines, the cost of power shall be very affordable with SCCL coal as compared to Western Coalfield Limited cost-plus coal. Allocating coal linkage closest to power plant is also in line with the Gov policy on rationalization of coal linkage.

5. In view of above, it is requested that Ministry of Coal may kindly consider for shifting of the existing tapering linkage of WCL to SCCL. This will benefit people of Telangana to get larger while availing electricity at affordable prices.

With regards,

Yours sincerely

AJAY MISRA

Sri Anil Kumar Jain,
Secretary, Ministry of Coal,
Government of India,
Shastri Bhawan, New Delhi - 110 011

Annexure - V

IMMEDIATE

File No. CLD-23014/2/2020-CLD
Government of India
Ministry of Coal
<<>>

Shastri Bhawan, New Delhi,
Dated the 18th August, 2020

To

1. The Chairman-cum-Managing Director,
Coal India Limited, Coal Bhawan,
Premise No-04 MAR, Plot No-AF-III, Action Area-1A,
Newtown, Rajarhat, Kolkata - 700156

2. The Chairman-cum-Managing Director,
Singareni Collieries Company Limited,
18, Red Hills, Khairatabad PO, Hyderabad,
Telangana.

Subject: Meeting of the Standing Linkage Committee (Long-Term) for Power Sector - SLC
(LT) No. 2/2020

Sir,

I am directed to forward herewith the approved minutes of the meeting of the SLC
(LT) for Power Sector held on 27.07.2020 to consider the requests for coal linkages
to Central / State Sector Power Plants and to review the status of existing coal
linkages/LoAs & other related matters.

Enclosure as above

Yours faithfully,

Sujeet Kumar
(Sujeet Kumar) 18/08/2020

Under Secretary to the Govt of India

Copy to -

- | | |
|---|-------------|
| 1. Additional Secretary, Ministry of Coal | Chairperson |
| 2. Principal Advisor (Energy), NITI Aayog, Yojana Bhawan New Delhi | Member |
| 3. Joint Secretary (Coal), Ministry of Coal | Member |
| 4. Advisor (Projects), Ministry of Coal | Member |
| 5. Joint Secretary (Thermal), Ministry of Power, Shram Shakti Bhawan, New Delhi | Member |
| 6. Joint Secretary (Ports), Ministry of Shipping, Transport Bhawan, New Delhi | Member |

- | | |
|--|---------|
| 7. Joint Secretary, Ministry of Steel, Udyog Bhawan, New Delhi | Member |
| 8. Joint Secretary, Department of Industrial Policy & Promotion, Udyog Bhawan, New Delhi | Member |
| 9. Executive Director, Coal, Railway Board, Room No. 261, Rail Bhawan, New Delhi | Member |
| 10. Director (Marketing), Coal India Limited. | Member |
| 11. CMD's BCCL, CCL, ECL, MCL, NCL, SECL & WCL | Members |
| 12. Chairman-cum-Managing Director, Central Mine Planning & Design Instt Ltd., Gondwana Place, Kanke Road, Ranchi. | Member |
| 13. Chairman, Central Electricity Authority, Sewa Bhawan, RK Puram, New Delhi | Member |
| 14. Chairman, NTPC, Scope Complex, Lodhi Road, New Delhi-110003 | Member |
| 15. Nominated Authority, Ministry of Coal | |
| 16. Joint Secretary, CBA-I Section, Ministry of Coal | |

Copy to:

- (i) Coal Controller, Coal Controller Organization, Kolkata
- (ii) Director (Technical), CIL, Kolkata
- (iii) GM (S&M), CIL, Kolkata
- (iv) CGM (CP), CIL, Kolkata
- (v) GM (S&M), CIL, Delhi

Copy also to -

1. PS to Minister of Coal
2. PSO to Secretary (Coal)
3. PPS to Additional Secretary (Coal)
4. Director (CLD)

Minutes of the Meeting of the Standing Linkage Committee (Long Term) for Power Sector held on 27.07.2020 at 3.00 P.M through Video Conference – SLC (LT) No. 2/2020

List of the participants is at Annexure.

Agenda Item No. 1: Confirmation of the Minutes of the Meeting of the SLC (LT) held on 28.05.2020.

Record of Discussions: There were no comments from any member.

Recommendation(s): Minutes of the Meeting of the SLC (LT) held on 28.05.2020 are confirmed.

Agenda Item No. 2: Enhancement of Annual Contracted Quantity (ACQ).

Issue: In view of the negative coal balance at Coal India Limited during the period, SLC (LT) in its meeting held on 12.11.2008 had recommended as under:

- i. All the recommended projects considered as coastal projects will have an import component of 30% for which developer has to tie up sources directly. LOA will be for 70% of the recommended capacity only.
- ii. In case of projects other than coastal, the normative quantities for only 90% of the recommended capacity would be met through Coal India Limited sources including coal to be imported by Coal India Limited and remaining 10% is to be tied up by the project developers themselves through direct import or any other source(s).

The power plants coming up within 150 km from the port facility were considered as coastal for the purpose of earmarking a definitive import content in their fuel mix. In line with the above decision, LoAs were issued to power utilities by Coal India Limited to non-coastal plants at 90% of their normative requirement and to coastal plants at 70% of their normative requirement.

Coal India Limited has informed that at present, it is having sufficient coal stocks lying in its subsidiaries and there is sluggish demand from Non-Regulated Sector due to Covid-19 pandemic. Coal India Limited has decided to enhance ACQ (PPA backed) upto 100% of normative requirement (for FY 2020-21) for power plants where the normative requirement of domestic coal was reduced on account of mandatory import. This dispensation would be allowed to interested power plants on optional basis who would undertake that they

Sujeet Kumar

would at least reduce import to the extent of increase in ACQ. Further, this would be allowed for current financial year 2020-21 and based on the result and other related parameters, the matter may be reviewed for further extension. Coal India Limited has also stated that since the earlier decision of reducing the normative quantity of domestic coal was taken in the SLC (LT), any increase in quantity may be approved by the SLC (LT).

Record of Discussions: It was discussed that the earlier decision to reduce the ACQ in the year 2008 was taken in view of the low coal availability with Coal India Limited prevailing during that period. Further, the present request to enhance the ACQ upto 100% of normative requirement for the year 2020-21 has been received from Coal India Limited in view of their comfortable coal stock position. SLC (LT) was also apprised that there are 79 non-coastal power plants where there would be increase in ACQ of 10% (around 10.5 MT) and 5 coastal power plants where the increase would be 30% (around 9.018 MT). It was also discussed that SHAKTI policy has provisions to increase coal supplies based on the future coal availability. The ACQ of the linkages which were allocated through SLC(LT) shall be increased by 10% if it was restricted earlier due to SLC(LT) recommendation of 12.11.2008. However, in case of linkages obtained through auction mechanism, the entitled quantity shall be revised and the consumers shall have to participate in auctions to obtain the linkages for the increased entitlements of ACQ.

Director (Marketing), Coal India Limited informed that around 700 MT of coal would be available with CIL in the current financial year and the production of coal from the year 2021-22 shall be as per the plans to achieve the 1 BT coal production target by 2024. Further, the impact of enhancement of ACQ would be that around 15 MT more coal would be committed to the power producers. It was also stated that Coal India Limited have waived off the levy of Performance Incentive (PI) for the first two quarters of 2020-21 and this would also enable it to implement the coal import substitution as coal quantities above the ACQ level can be supplied without charging additional cost in the form of PI.

Joint Secretary, Ministry of Power recommended that 100% normative requirement should continue for future also as any uncertainty in future coal supplies would impact the decision making of importing coal by the power producers. Representative of CEA informed that the 5 coastal power plants may not require 100% ACQ based on domestic coal because of the boiler design which may be built on a mix of imported as well as domestic coal and the future coal requirement of these power plants can be worked out if changes are carried out in the boiler design of the power plants. Further, terms and conditions of the PPA of these 5 coastal power plants will have to be examined and CEA could give suitable recommendations only after examining it.

Sujat Kumar

Considering the comments of CEA, it was suggested that recommendations in the case of coastal power plants can be made after examination of the issue by Ministry of Power and CEA and after receipt of suitable recommendations from Ministry of Power.

Recommendation(s) of SLC(LT): In view of the request of CIL and recommendations of Ministry of Power / CEA, SLC(LT) recommended to increase the ACQ upto 100% of the normative requirement in the cases where the ACQ was reduced to 90% of normative requirement based on the SLC(LT) decision of 12.11.2008. This increase shall be for all regular linkages granted/recommended through SLC(LT). Also, in case of linkages obtained through auction mechanism, the entitled quantity shall be revised based on the new norms and the consumers shall have to participate in auctions to obtain the linkages for the increased entitlements of ACQ. In case of the increase of ACQ of coastal power plants, Ministry of Power / CEA would examine the issues involved and matter would be taken up in SLC(LT) after receipt of recommendations from Ministry of Power.

Agenda Item No. 3: TANGEDCO - Long Term coal linkages and Bridge Linkages.

Issue: SLC (LT) in its meeting dated 24.06.2019 had recommended for grant of coal linkage for 50% of the installed capacity of the 3 units of 2400 MW of TANGEDCO [North Chennai Thermal Power Station Stage-III (1 x 800 MW) and Uppur Super Critical Thermal Power Project (2 x 800 MW)] under B (i) of SHAKTI Policy, 2017 from SCCL (2 MT of G-15 grade) and balance quantity from Coal India Limited, as per coal availability for linkage confirmed by SCCL & Coal India Limited. In view of the requests of TANGEDCO for change of grade of coal, SCCL agreed to supply 2.0 MT of G-13/G-15 grade coal to TANGEDCO for long term coal linkage for use in North Chennai Thermal Power Station Stage-III & Uppur Thermal Power Project at 50:50 ratios. TANGEDCO also confirmed its acceptance to SCCL.

However, SCCL vide letter dated 09.04.2020 stated that there is excess coal of about 4 MT available at SCCL which can be linked to power plants. In view of the availability of excess coal at SCCL, it requested to grant complete coal linkage from SCCL to the above 2400 MW installed capacity of TANGEDCO in addition to the given long term linkage of 2.0 MT.

SCCL in its letter also referred to the request of TANGEDCO for grant of Bridge Linkage (BL) for Ennore TPS Expansion Project (1 x 660 MW), Udangudi TPS Stage-I (2 x 660 MW) and Ennore SEZ Supercritical TPS (2 x 660 MW) of TANGEDCO. SCCL stated that as the long term linkage to Uppur Super Critical TPP of

Sujat Kumar
3/10

TANGEDCO is envisaged to be commenced in 2022, hence, the request of TANGEDCO for grant of BL for the plants which are expected to be commissioned in 2020-21 may be granted on SCCL to the tune of about 4 MT.

However, the fact of the matter is that SLC (LT) in its meeting held on 18.11.2019 have already recommended for grant of BL for the first unit of Ennore SEZ (660 MW) of TANGEDCO for the 50 % capacity. It was also recommended that BL for the balance units shall be considered in 2021-22 after taking into account the inputs on the development of the allotted coal block.

The matter was discussed in the meeting of the SLC (LT) held on 28.05.2020. During the meeting, TANGEDCO had informed that it would prefer coal from Talcher coalfields of MCL and in case sufficient coal from MCL is not available, the next preference would be SCCL. Considering that the actual requirement of coal to the three units of TANGEDCO would take time, SLC (LT) recommended that Coal India Limited / MCL to work out on whether it can commit assured coal delivery at Paradip Port. Alternatively, Coal India Limited /MCL may work out an arrangement by which TANGEDCO can be assured of coal delivery at the power plants overcoming the logistic constraints. On the other hand, SCCL may also work out so that it can supply coal to TANGEDCO at a landed cost which is comparable to or competitive with the current prices. Further, Coal India Limited/SCCL to give their respective reports within a month time and the matter shall be taken up in the next meeting of the SLC (LT). SLC (LT) had also recommended that the request of SCCL for grant of BL to the units of TANGEDCO shall also be taken in the next meeting of the SLC (LT).

Thereafter, Coal India Limited vide letter dated 12.06.2020 have confirmed supply of the required linkage quantity of 3.193 MTPA from the sidings of Talcher Coalfields of MCL and have stated that TANGEDCO would be required to arrange transportation of coal to Paradip Port. Coal India Limited has also stated that MCL shall extend all its support and will also take up with Railways for transportation of coal from MCL's sidings to Paradip Port.

SCCL has also submitted its report vide its letter dated 25.06.2020. SCCL has offered to supply coal from the mines of Talcher area, Odisha at a price compatible with MCL price. Further, SCCL has assured TANGEDCO that the streamlined supplies can be ensured by SCCL either from Mines of Odisha (for having price advantage) or from the existing operating mines of Telangana (in the event of logistics constraints for supply of coal from Talcher area). SCCL has also stated that TANGEDCO has expressed willingness to have a long term linkage with SCCL on assurance of SCCL to supply coal from Talcher area at comparable price to MCL.

Sujeet Kumar
4/10

In addition, SCCL has stated that as low ash coal is available at SCCL to the tune of 3 MT, the linkage may be recommended on to SCCL for substituting the import component of coal required for these two plants.

In continuation to the above, TANGEDCO vide its letter dated 01.07.2020 have now requested to provide the Long Term coal linkage from Talcher region in view that the landed cost of the coal through rail cum sea route from Talcher region works out to be economical among the available options by more than Rs. 600/tonne.

Record of Discussions: Coal India Limited stated that they can offer coal for the power plants of TANGEDCO from the sidings of Talcher Coalfields of MCL, however, the coal offered is not FoB at Paradip Port. Coal India Limited also expressed that MCL shall extend all its support for transportation of coal from MCL's sidings to Paradip Port.

SCCL also offered coal to meet the entire requirement the TANGEDCO, and at the same time also stated that their present plan to supply coal is at the mine head. SCCL also stated that the Naini coal block allocated to them in the Talcher area of Odisha would be operational soon and they can also work out on the option to supply the entire coal from its Naini coal mine in future.

Representative of TANGEDCO, requested to examine if coal can be supplied from Talcher area of Odisha. It was also stated that the North Chennai thermal power plant Stage-III (1 x 800 MW) would be commissioned in December, 2020 and coal would be required for this plant.

Recommendation(s) of SLC(LT): In view of the discussions, SLC (LT) recommended for grant of entire coal linkage for 50% of the installed capacity of the 3 units of 2400 MW of TANGEDCO [North Chennai Thermal Power Station Stage-III (1 x 800 MW) and Uppur Super Critical Thermal Power Project (2 x 800 MW)] under B (i) of SHAKTI Policy, 2017 from SCCL. It was also recommended to grant Bridge Linkage (BL) for Ennore TPS Expansion Project (1 x 660 MW), Udangudi TPS Stage-I (2 x 660 MW) and Ennore SEZ Supercritical TPS (2 x 660 MW) of TANGEDCO from SCCL. SLC (LT) also recommended that meeting the future coal requirement of TANGEDCO from Naini coal mine may be worked out by SCCL & TANGEDCO.

Additional Agenda Item No. 1: Shift of the existing tapering coal linkage accorded to NTPC Units (2 x 800 MW) situated at Ramagundam, Telangana from WCL/CIL to SCCL.

Issue: Mandakini-B coal mine in the State of Odisha was allocated to NTPC for its 4000 MW Telangana STPP

Sujat Kumar
S/10

in accordance with the provisions of CM (SP) Act, 2015 and CM(SP) Rules, 2014 on 10.09.2015. In view of the prevailing conditions during that time as well as statutory requirements under the Andhra Pradesh Reorganization Act, 2014 and considering the recommendation of Ministry of Power, "in-principle" approval for grant of tapering linkage to 2 x 800 MW Phase-I of Telangana Super Thermal Power Project of NTPC was accorded as an exceptional case.

Government of Telangana (GoT) vide letter dated 21.07.2020 has now requested to shift the existing tapering coal linkage accorded to NTPC Units (2 x 800 MW) situated at Ramagundam, Telangana from WCL/CIL to SCCL. GoT has stated that the two units of 800 MW each are at advanced stage of construction and are likely to be commissioned in FY 2020-21. NTPC vide its letter dated 22.07.2020 has also requested Ministry of Power to recommend the proposal for shifting of tapering coal linkage of NTPC's Telangana Project Phase-I (2 x 800 MW) from WCL to SCCL. In addition, Ministry of Power vide O.M dated 24.07.2020 has also requested to consider transfer of existing Tapering linkage from WCL to SCCL (alongwith unconditional release of LOA - Commitment Guarantee) in order to reduce landed cost of coal at Telangana TPP.

As the earlier decision was taken due to statutory requirements and as an exceptional case and only 'in-principle' decision was taken, SLC (LT) may take a view on the matter.

Record of Discussions: SLC (LT) was apprised that the request for transfer of Tapering linkage of NTPC's Telangana Project Phase-I (2 x 800 MW) from WCL to SCCL has been made by Government of Telangana and NTPC. The tapering linkage was accorded to meet the statutory requirements arising out of the A.P. Reorganization Act, 2014 and recommendations of Ministry of Power. Ministry of Power has now recommended for the transfer of tapering linkage to SCCL. It was informed that there are 3 issues involved in the matter: (i) Regularizing the 'in-principle' approval of tapering linkage, (ii) Application fees by NTPC for grant of tapering linkage as per the applicable policy (iii) Shifting of coal linkage from WCL to SCCL. It was also informed that Bridge Linkage Policy of Ministry of Coal was not existing when 'in-principle' approval for grant of tapering linkage was accorded.

With regard to the aforesaid issues, representative from NTPC stated that as the plant is on the pithead of SCCL mines, it would be using the MGR for movement of coal from the coal mines of SCCL to the power plant and this shift of coal linkage from WCL to SCCL would be economical and beneficial to the company and also reduce the load on the rail infrastructure. Further, NTPC would be submitting the prescribed fee within a month's time.

Sujat Kumar

6/10

Representative from Government of Telangana stated that Government of Telangana has requested for shifting the coal linkage considering the benefits to the State. SCCL informed that it has sufficient coal and evacuation facility to support the supply of coal to the NTPC pithead plant. Coal India Limited had no objection in the shift of tapering coal linkage. Ministry of Power also recommended for the shift of linkage and stated that as cheaper power shall be produced by the plant, this will ultimately reduce the burden on the consumers.

Recommendation(s) of SLC(LT): Considering the views of Ministry of Power, Government of Telangana, CIL and SCCL and the statutory requirements under the A P Reorganization Act, 2014, SLC (LT) recommended for formal approval for grant of tapering linkage as per the applicable policy to the 2 x 800 MW Phase-I of Telangana Super Thermal Power Project of NTPC as well as shifting of existing coal linkage from WCL to SCCL. The LoA Commitment Guarantees submitted by NTPC to the coal companies on this account may also be refunded. SLC (LT) also recommended that within one month, NTPC shall submit the application fees for grant of tapering linkage as per the specified norms.

Sujeet Kumar 7/10

Ministry of Coal

Shri Vinod Kumar Tiwari, Additional Secretary – In the Chair

Shri M. Nagaraju, Nominated Authority

Shri Mukesh Choudhary, Director

Shri Sujeet Kumar, Under Secretary

Ministry of Power

Shri Vivek Kumar Dewangan, Joint Secretary

Ministry of Railways

Shri A K Shamsi, ED (Coal)

Government of Telangana

Shri G. Devender Reddy, Asst. Secretary, Energy Department

Coal India Limited

Shri S.N Tiwary, Director (Marketing)

Shri T. S Rai, CM, M&S

Shri G.K Vashisshtha, Advisor (M&S)

Shri Bhimsen, Chief Manager (M&S)

Mahanadi Coalfields Limited

Sujeet Kumar
A.M.

Shri O.P Singh, Director (OP)

Shri A K Gupta, GM (M&S)

South Eastern Coalfields Limited

Shri Anurag Garg, GM (M&S)

Eastern Coalfields Limited

Shri Ajit Singh, Chief Manager (M&S)

Bharat Coking Coal Limited

Shri K. Batula, GM (M&S)

Western Coalfields Limited

Shri Dhanjay Kumar, HoD (M&S)

Singareni Collieries Company Limited

Shri J. Allwyn, ED (Coal)

Coal Controller Organization

Shri

Central Mine Planning & Design Institute Limited

Shri

Central Electricity Authority

Shri N S Mondal, CE (Thermal Project Planning & Development)

Suyat Kumar

al-

TANGEDCO

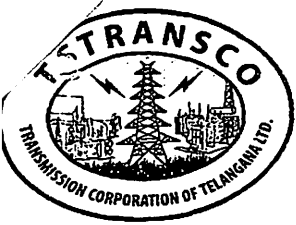
Shri K. Kanikannan, Chief Engineer

NTPC

Shri M. Prasanna Kumar, CGM (Corp FM)

Sujat Kumar

10/10



TRANSMISSION CORPORATION OF TELANGANA LIMITED

(Govt. of Telangana State Undertaking)

Vidyut Soudha, Khairatabad, Hyderabad-500 082., PABX : 23396000
(CIN No: U40102TG2014SGC094248) www.tstransco.in

From
The Chairman/TSPCC &
Chairman & Managing Director/
TSTRANSCO, Vidyut Soudha,
Hyderabad - 500 082.

To
The Chairman & Managing Director/
NTPC Limited,
Scope Complex, Lodhi Road,
New Delhi-110003.

Lr.No.CMD/TSTRANSCO/ED(Comm1)/F.TSTPP Ph-1/D.No. ²⁰⁴/20, Dt:10.11.2020

Sir,

Sub: TSPCC - TSDISCOMs - IPC Wing - 2x800 MW Telangana Super Thermal Power Project, Phase-1- Pursuance of Coal utilization from Singareni Coal Mines instead of allocated Mandakini-B Captive Coal Mine in Orissa - Requested - Reg.

Ref: 1. Meeting held with NTPC on 20.10.2020.
2. TSERC Interim Order dt.30.07.2016 in OP No.10 of 2016

* * *

Please refer to the discussions during the NTPC Stakeholders-Customers Virtual meeting held on 20th October 2020, wherein it was agreed by NTPC to seek approval from the Ministry of Coal for permitting Coal utilization for the upcoming NTPC Telangana Super Thermal Power Project Phase-I (2x800 MW) from Singareni Coal Mine in lieu of obtaining Coal from Captive Coal Mine (Mandakini-B) allocated in Orissa State, in terms of Hon'ble TSERC directions in the Interim Order dated 30.07.2016 in O.P.No.10 of 2016, which would result in reducing the Cost of Power generation.

In view of the above, it is requested to pursue with the Ministry of Coal, Govt. of India for obtaining necessary approval for utilization of domestic coal from Singareni Collieries in terms of the approval given by the Govt. of India for flexibility in utilization of domestic coal and communicated by CEA, New Delhi vide Lr.No.CEA/Plg/FM/1/37/2016/779-836, dated 8th June 2016.

Yours sincerely,

b. u. l.

Chairman/TSPCC &
Chairman & Managing Director/TSTRANSCO

Copy communicated to:
The Secretary to Govt.,
Energy Department, GoTS,
Telangana Secretariat,
Hyderabad.