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Checking imports: CIL, SCCL to hold regular auctions for short term coal linkages to power plants

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Power Ministry, in consultation with Coal Ministry, revised the allocation of coal under the SHAKTI policy

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While India has the world's fourth-largest coal reserves, its coal imports have grown rapidly as the world's third-largest power producer seeks to step up capacities to end blackouts during summer months | Photo Credit: AMIT DAVE

Power Ministry, in consultation with Coal Ministry, revised the methodology for allocation of coal under the SHAKTI policy (Scheme for Harnessing and Allocating Koyala Transparently in India) to enhance availability and affordability of coal.

Amendments

After amendment to Para B (viii) (a) of SHAKTI policy, power plants, including private generators (Gencos), who do not have power purchase agreements (PPAs) will be allowed coal linkage for 3 months, 6 months and 12 months with the condition that electricity generated is sold through power exchanges or in short term through a transparent bidding process on DEEP (Discovery of Efficient Electricity Price) portal.

Financial consultancy, Nangia Andersen India Partner Power Advisory Arindam Ghosh said "India has been strengthening its policy framework to ensure seamless supply of coal to power plants. Amendment of methodology for allocation of coal linkage for short term sale of power generated is one such policy imperative to substitute non-essential coal imports."