

SHAKTI

POLICY



SCHEME TO HARNESS AND ALLOCATE KOYLA TRANSPARENTLY IN INDIA (SHAKTI) aims to auction long-term coal linkages to power companies

NEED



To reduce the dependence of DISCOMs on Imported coal.



Increased demand for electricity



Rising dependence on coal

SHAKTI

Scheme For Harnessing & Allocating Koyala (coal) Transparently In India

Accountability

Transparent Bidding For Coal Linkages
Elimination Of Discretion In Allocation

Affordability

Competition Will Help Reduce Power Tariffs
Ensuring 24x7 Affordable 'power For All'

Accessibility

Alleviate Bank Problems & Assist Revival Of Stressed Assets Ensuing Coal To All Power Plants

PROVISIONS OF THE POLICY



Coal linkages would be awarded to designated state-owned power distribution companies (DISCOMs) which in turn would assign linkages to state or central power generation companies

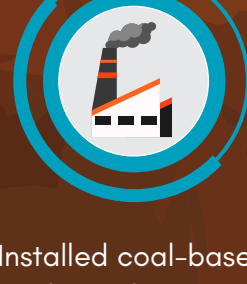


The independent power producers (IPPs) with Power purchase agreements (PPAs) will bid for discounts on the existing tariff



IPPs without Power Purchase Agreements (PPAs) shall bid for linkage over the notified price of the coal company

FUELLING CHANGE



POTENTIAL PRIVATE SECTOR GAINERS FROM THE NEW POLICY



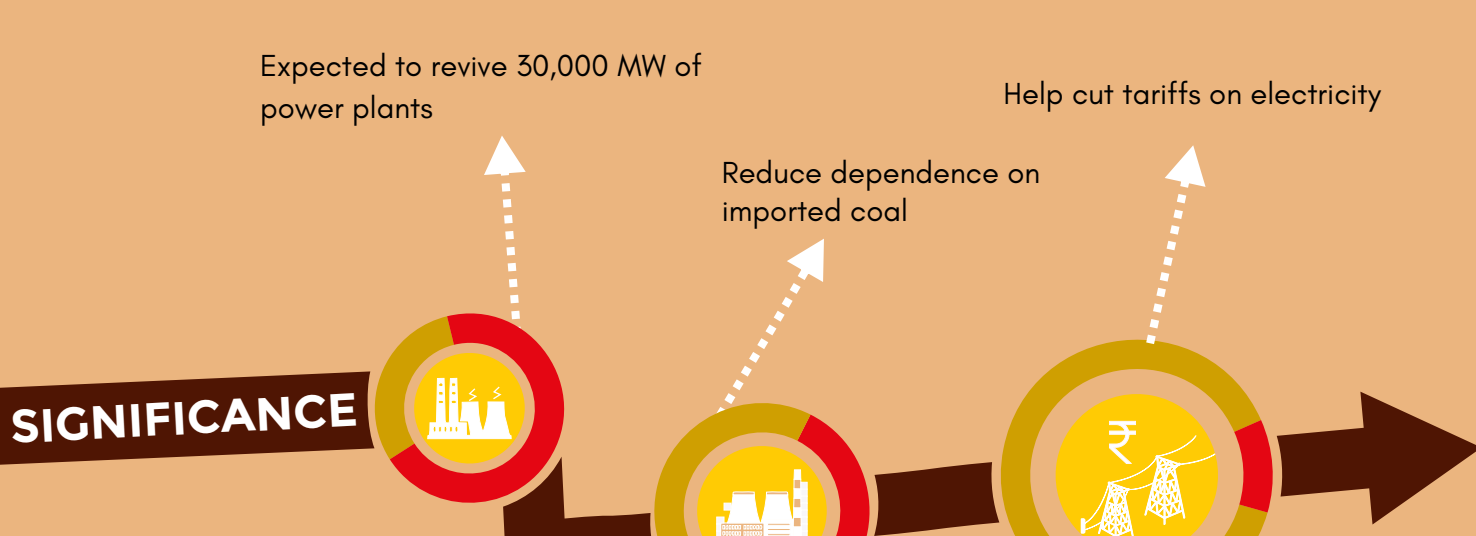
Plants with PPA but no FSA
~ **8,000 MW**



Plants with LOA, PPA but no FSA
~ **12,000 MW**



Plants without FSA/PPA
~ **10,000 MW**



SIGNIFICANCE

SHAKTI SOLUTION

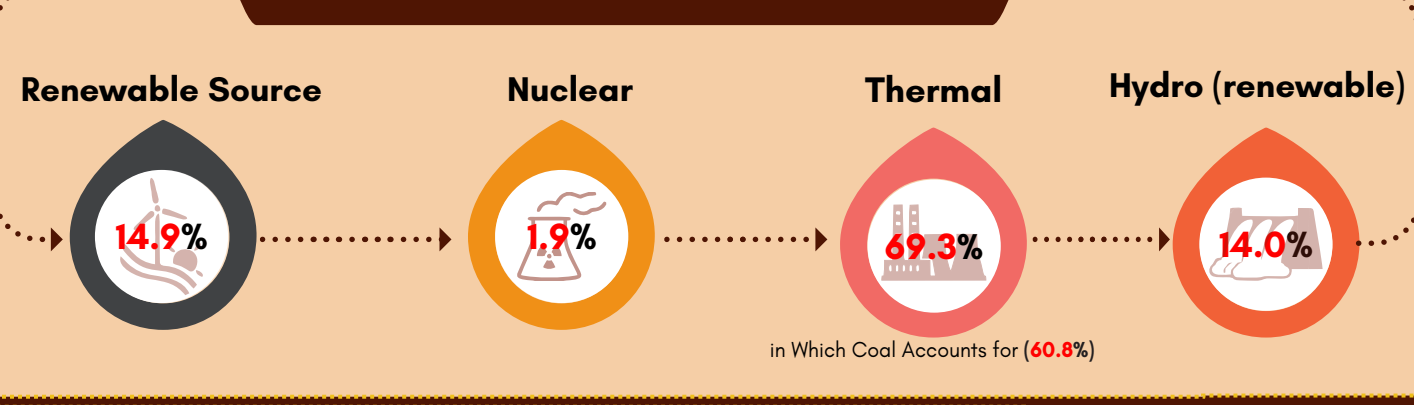
BENEFITS

- policy will ensure all power projects get **adequate coal supply**
- Reduce power costs** for consumers
- Bring in **transparency** in allocation
- Minimise use of **imported coal**

ROUTE

PSU power generators will be allocated fuel linkage based on power ministry's recommendations - Auction route for private firms reducing the use of imported coal and promote more domestic orders

POWER GENERATION IN INDIA



CHALLENGES

- Providing coal linkages on allocation basis to thermal stations owned by the Centre or state governments versus on competitive bidding basis to private developers distorts the competitive power market
- It spares project developers of the up-front capital costs and risks of a captive mine. This might reduce direct gains to government treasury for a short term

RECENT INITIATIVES

- COAL MITRA** - web portal to facilitate coal swapping among government and private firms
- TAMRA** - a web portal and mobile application, to streamline the process of various statutory clearances required for mining operations
- Mining Surveillance System** - a satellite-based monitoring system developed by Ministry of Mines aims to establish responsive mineral administration through public participation by curbing instances of illegal mining activity using automatic remote sensing detection technology

WAY FORWARD

It is a welcome step towards the government's vision of Power to all and **24*7 Electricity**

