

**Central Electricity Regulatory Commission
New Delhi**

Public Notice

April 25, 2019

Subject: Staff paper on the “Methodology for Compilation of Coal Price Index applicable for Power Sector”

In pursuance of Clause 5.6 (vi) of Ministry of Power (MOP) Notification dated 19.01.2005 (as amended from time to time) on Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees, the Central Electricity Regulatory Commission (CERC) notifies, every six months, various escalation rates including the escalation rate for domestic coal for payment.

The Staff Paper titled above has been prepared as per the directions of the Commission in its order dated 20.10.2016 in Petition No.26/RP/2016 and 50/MP/2015 to carry out an exercise for revision of methodology for computation of escalation indices for the non-coking coal used in power generation.

The objective of the staff paper is to compile an appropriate coal price index applicable for power sector and to recommend the same for the use of CERC for computing the escalation rate for domestic coal for payment in place of WPI for Non-coking coal, i.e. to capture actual variations in the price of non-coking coal applicable power sector.

The proposal in the Staff Paper is based on independent thinking of the staff and does not necessarily reflect the views of the Commission.

The Staff Paper is hosted on Commission’s website (www.cercind.gov.in). Stakeholders are requested to submit their views and suggestions on the Staff Paper latest by **May 20, 2019**.

**Sd/
(Sanoj Kumar Jha)
Secretary**