
Fwd: Comments on the Staff Paper on Blending of imported coal with domestic coal to mitigate the domestic coal shortage

From : Awdhesh Kumar Yadav <awdhesh@nic.in> Tue, Jun 14, 2022 03:45 PM
Subject : Fwd: Comments on the Staff Paper on Blending of imported coal with domestic coal to mitigate the domestic coal shortage
To : Sunil Kumar Jain <sunil_jain@nic.in>

From: "Harpreet Singh Pruthi" <secy@cercind.gov.in>
To: "Awdhesh Kumar Yadav" <awdhesh@nic.in>
Sent: Tuesday, June 14, 2022 2:33:35 PM
Subject: Fwd: Comments on the Staff Paper on Blending of imported coal with domestic coal to mitigate the domestic coal shortage

From: "jitpl ra" <jitpl.ra@Jindalgroup.com>
To: "Harpreet Singh Pruthi" <secy@cercind.gov.in>
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Sent: Monday, June 13, 2022 11:10:48 PM
Subject: Comments on the Staff Paper on Blending of imported coal with domestic coal to mitigate the domestic coal shortage

Dear Sir,

With reference to the subject matter, we would like to submit following views for your kind consideration.

1. The Tariff Regulations i.e. CERC (Terms and Conditions for determination of Tariff) Regulations, 2019 as referred in the subject Staff Paper are applicable only for the PPAs executed u/s 62 of the Act wherein two part tariff structure is mandated by the Hon'ble Central Commission which includes Capacity Charges and Energy Charges. However, there are no clarifications provided in this Staff paper with respect to the costs associated with blending of imported coal in the PPAs which are already executed u/s 63 of the Act wherein the tariffs are discovered under competitive bidding route.
2. It may kindly be clarified as to how the PPAs to be executed u/s 63 of the Act would be treated insofar as the present Staff paper issued by Hon'ble CERC is concerned.

3. As per a tentative impact assessment for procuring 10% import coal for blending, JITPL requires at-least two (2) months' Working capital which will be approx. INR 170 Crores.
4.
 - a. Hence, it is very much difficult to arrange such high cash flows for a stressed thermal assets/generators. CERC may therefore introduce weekly billing and weekly payment mechanism in order to assist generators in maintaining their cash flows.
 - b. The percentage of import coal may be decided based on the cash flows that a generator can arrange.
5. The increase in ECR due to blending of imported coal may not be capped. It may be considered based on the actual cost incurred by generator.

We request this Hon'ble Commission to kindly provide us an opportunity to present our detailed views on the proposed mechanism before the Hon'ble CERC either during the public hearing or in further interactions/meetings.

Thank you.

For Jindal India Thermal Power Limited

Pulak Srivastava

