
Fwd: Comments/Suggestion on "Blending of imported coal with domestic coal to mitigate the domestic coal shortage"

From : Harpreet Singh Pruthi <secy@cercind.gov.in> Mon, Jun 13, 2022 06:11 PM
Subject : Fwd: Comments/Suggestion on "Blending of imported coal with domestic coal to mitigate the domestic coal shortage" 2 attachments
To : Awdhesh Kumar Yadav <awdhesh@nic.in>

From: "P Raul" <P.Raul@avanthapower.com>
To: "Harpreet Singh Pruthi" <secy@cercind.gov.in>, "Rashmi S. Nair" <rashmi@cercind.gov.in>
Cc: "Janmejaya Mahapatra" <Janmejaya.Mahapatra@avanthapower.com>, JPLBD@avanthapower.com, "monika nanda" <monika.nanda@avanthapower.com>
Sent: Monday, June 13, 2022 6:00:42 PM
Subject: Comments/Suggestion on "Blending of imported coal with domestic coal to mitigate the domestic coal shortage"

Respected Sir,

We would like to thank you for seeking views of all interested stakeholders on Comments/Suggestion on "Blending of imported coal with domestic coal to mitigate the domestic coal shortage". Our suggestion/comments are enclosed herewith for your kind consideration.

We humbly request you to consider our submission favorably and please do let us know if you would require any further clarification

Regards,
Pranagobinda Raul
Dy. Manager | Business Development



POWER & INFRASTRUCTURE
Jhabua Power limited

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 **Comments_ Blending of Imported Coal.pdf**
158 KB

Ref No. JPL/BD/CERC/2022/03

13/06/2022

To,
The Secretary,
Central Electricity Regulatory Commission,
New Delhi

Kind Attn.: Shri Harpreet Singh Pruthi

Sub: Comments/Suggestion on “Blending of imported coal with domestic coal to mitigate the domestic coal shortage”

Ref: 1.Public Notice Dated: 02.06.2022

Respected Sir,

Comments / suggestions were invited from the stakeholders in reference to the CERC “**Blending of imported coal with domestic coal to mitigate the domestic coal shortage**” vide the above referenced Public Notice. Jhabua Power as an ISGS is a direct stakeholder and therefore is desirous of offering its comments keeping in view the far reaching consequences of increase in blending rate of imported coal with domestic coal. Our comments/suggestion are enclosed in Annexure-I

We, therefore, request the Hon’ble Commission to kindly consider our comments / suggestions with regard to facilitation of the blending of import of coal up to 30%.

Thanking You,

Yours Sincerely,



Roopam Bansal
(Sr. Manager – Business Development)

Jhabua Power Limited

(CIN : U40105WB1995PLC068616)

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AVANTHA
GROUP COMPANY

Annexure: I**Comments/suggestions on Blending of imported coal with domestic coal to mitigate the domestic coal shortage:**

1. It is very clear from the analysis of blending of imported coal with domestic coal under different pricing scenarios (as provided in Para 111 of the staff paper) that Cl 43 (3) of the Tariff Regulations never envisaged the current scenario (Large demand-supply gap in indigenous coal, forcing blending of imported coal priced even at \$140 - \$ 275 per MT). The regulations were basically designed to blend coal asking to normally used coal at a slightly higher price point i.e. FSA coal with special forward auction coal or normal priced imported coal with imported coal of slightly higher price. The present scenario is obviously different from the above and therefore require different approach for the cost pass-through.
2. Jhabua Power is yet to receive the formal concurrence from any of its beneficiaries and it is understood that most of the Gencos are facing the similar bottleneck. It's also a fact that immediate action needs to be taken to effectively deal with the acute coal shortage envisaged in the near future.
3. While calculating ECR for companies (in the staff paper), the inland transportation cost has not been considered. The actual ECR therefore shall be higher than the derived value.
4. In order to simplify the process to calculate the maximum percentage of blending, the beneficiaries may be asked to stipulate the max. ECR permissible for each of their PPAs based on their demand projection and price-trend in the power exchange (from which they shall be required to source in the event of non-availability of power through their tied u-up beneficiaries). They may seek prior approval of the appropriate Commission.
5. Failure to provide concurrence for resulting in shortage of coal and in turn leading to reduction in Declared Capacity should be taken care of through Deemed Availability due to shortage of coal.



6. Restricting provision in Section-63 DBFOO PSAs wherein every replacement coal is required to be approved by the Commission through an Additional Fuel Supply Agreement (AFSA) also needs to be dealt with.
7. Besides the increased ECR, the beneficiaries shall also be required to bear the cost of the increased working capital requirement.
8. Gencos shall also be protected against non-use of imported coal due to low scheduling based on the possible inferior MOD (Merit Order Dispatch) position due to use of imported coal blending. Therefore, we suggest that while dispatching the power, the increase in variable cost due to blending of imported coal shall not be included in MOD.

