



KSK Mahanadi Power Company Limited

CIN No : U40300AP2009PLC064062

Works

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Janjgir - Champa District,
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MGEF, ND/MURN/2500101/774

5-08-2017

**The Director
Ministry of Environment, Forest and Climate Change
Indira Paryavaran Bhavan
Jor Bagh Road
Aliganj Road
New Delhi**

Subject: Environmental Clearance of 6x600 MW Coal Based Thermal Power, Nariyara, District Janjgir Champa District, Chhattisgarh state by KSK Mahanadi Power Company Limited- Request for Extension of permission to use road to transport coal from source to Plant site and change of mode of procurement from Linkage coal to Forward E-auction.

- Ref: 1. Environmental Clearance letter vide No.13012/44/2008-IA-II(T) dated 19th October,2009
2. Amendment of Environmental clearance of KMPCL letter No.J-13012/44/2008.IA(T) dated 24.01.2012
3. Extension of validity of Environmental Clearance of J-130112/44/2008-IA-II(T) dated 23.09.2015
4. Amendment of Environmental clearance of KMPCL letterNo.J-13012/44/2008.IA.II(T) dated 26.05.2016

Dear sir,

You may kindly refer to the environmental clearance along with associated amendments for 6x600 MW coal based power thermal power plant of KSK Mahanadi Power Company Limited(KMPCL) (earlier Wardha Power Company Limited) stated above. Considering the delay in operation of Morga- II coal block, specific approval provided in 2012 to KMPCL for unit operation based on tapering linkage allocated by South Eastern Coalfield Limited.

However,due to cancellation of allotment of coal blocks by Hon'ble Supreme Court, Ministry of Coal cancelled the tapering coal linkages granted to KMPCL and directed CIL (SECL) to continue coal supplies to the power plant under MOU mechanism till 31.3.2016 or till formulation of New policy by Government of India, whichever is earlier. With effect from 30.06.2016, the Government of India discontinued coal supplies under the MOU as well. Now, we are procuring coal under Special Forward E-Auction for Power Sector carried out by CIL, as the Government of India is yet to pronounce the New Policy. This is a force majeure situation by which we are made to change the sources for no fault of ours.

Presidential Directives dated 17.07.2013 mandated Coal India Limited to sign Fuel supply agreements with power developer including tapering coal linkage holders, identified by Ministry of Power for supply of the domestic coal quantity of 65%, 65%,67% and 75% of Annual contracted quantity for remaining four years of 12th Plan. It was also directed that to meet its balance FSA obligations, CIL may import coal or power plants may also same import directly.

Accordingly KMPCL had approached MOEFCC in the month of February, 2016 and matter was placed before EAC in Feb and March, 2016 and amended the Environmental clearance for using blended coal as linkage coal, E-auction coal and imported. The coal requirement to operate the entire approved capacity is 14.14 MTPA. Out of which 2.58 MTPA of imported coal which will be transported through railway mode port to plant site and balance amount of coal will be transported through road and railway mode (50% through rail and 50% road).

Now KMPCL is sourcing coal from South Eastern Coalfields collieries through Special Forward E-Auction mode which is specifically meant for power producers instead of coal linkage mode which is no longer exists.

KMPCL power plant was conceived as coal sources from Morga-II and Gare pelma coal blocks and transportation of coal from mine to plant through rail mode and MOEFCC has specified a condition that 4th year onwards the entire coal shall be transported through rail till that road transportation of coal is permitted. Accordingly KMPCL has constructed state of art Railway facilities to cater the needs of plant and these facilities are under operation since two years and underutilized due to change of sources or due to non-availability of siding facilities at mines area or non-availability or allocation of sufficient rail rakes by Ministry of Railways.

As on today, the entire imported coal is being transported through rail mode and balance amount is being transported 50% through rail mode and rest on road mode as SECL is not offering only a limited quantity of coal on Rail mode under Special Forward Auction. Further, there is neither priority nor surety in grant of railway program by SECL, when compared with other FSA / Linkage holders. Very recently in January and February 2017, SECL refused to accept any payments towards railway program under Special Forward E-Auction mode, thereby refusing to provide rakes for coal movement to us.

KMPCL would submit that use of road to transport coal from SECL coal mines area to plant has become inevitable in light of above mentioned subject. In this connection a detailed study has been carried to know the existing traffic volume, adequacy of road to meet the requirement and prepared environmental management plan and it is concluded from the traffic density survey carried out in the study shows that there will be marginal increase in traffic due to the proposed project activity of the project. The estimated peak traffic in terms of PCUs, when compared to the IRC recommendations for traffic capacity of the roads, it can be observed that the existing road network is adequate to cater the needs of KMPCL plant.

KMPCL would like submit that transportation of coal from CIL coal mines to plant through road mode may kindly be permitted till :

- a. Government of India pronounces new coal policy for grant of coal linkages, pursuant to which FSA is executed by CIL and supplies are commenced.
- b. CIL actually supplies entire coal requirement of our power plant only on rakes which would result in 100% utilization of our railway infrastructure facilities.

Kindly also note that till grant of coal linkage by the Government of India, our company will procure coal from the same SECL coalfields under Special Forward E-auction scheme. We request you to kindly take a note of above on record and oblige.

Thanking You

Yours faithfully

M.URN Acharyal
Authorized Signatory