



HINDUJA NATIONAL POWER CORPORATION LIMITED

Ref: HNPCL/VPP/MOEF/2016/ 021

24-11-2016

The Director,  
Government of India,  
Ministry of Environment, Forests and Climate Change,  
Indira Paryavaran Bhawan,  
Jorbagh,  
New Delhi – 110 003

Dear Sir,

**Sub: 2x520 MW Coal based Thermal Power Plant at Village Palavalasa, Taluk, Pedagantyada, District Vishakhapatnam, Andhra Pradesh by M/s Hinduja National Power Corporation Ltd.(HNPCL) – Request for use of 100% Indian Coal due to high cost of imported coal - Reg**

**Ref: 1. Environment Clearance issued vide MOEF Letter No J. 13011/11/90-IA-II(T) dated 3<sup>rd</sup> September 1996**

HNPCL received the Environmental Clearance for establishing the 2x 520 MW coal based power plant at Palavalasa, Visakhapatnam vide reference cited above wherein it was mentioned that beneficiated coal should be used with ash content not exceeding 34%.

MOEF had clarified vide letter dated 15<sup>th</sup> November 1996 that only beneficiated coal should be used with average annual ash content supplied by Mahanadi Coal Fields Ltd not exceeding 34 + 1 - 2%. Subsequently HNPCL had approached MOEF vide Letter dated 12<sup>th</sup> April 1999 seeking clarification with respect to use of alternative coal in lieu of beneficiated coal.

MOEF vide letter dated 20<sup>th</sup> April,1999 had clarified that the Ministry has no objection to the use of fuel from alternative sources which will have same coal quality as beneficiated coal.

HNPCL had commissioned Unit – I and Unit – II in the months of January, 2016 and July 2016 respectively

HNPCL had a fuel supply agreement with MCL, Odisha for supply of domestic coal. Currently the following is the coal quality as dispatched by MCL and imported by HNPCL and received at project site.

<b>COAL TYPE</b>	<b>GCV RANGE (Kcal/Kg)</b>	<b>ASH Content Range (%)</b>
<i>Domestic Coal from MCL Talcher</i>	<i>4482 - 2470</i>	<i>35% to 52.3%</i>
<i>Imported coal from Indonesia</i>	<i>5659 – 5297</i>	<i>5.03% to 6.91%</i>
<i>Imported coal from South Africa</i>	<i>4800 – 5000</i>	<i>23 to 26%</i>



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*Thus, HNPCL is currently blending the above coals in the desired ratio of indigenous and imported to ensure that the final ash content is less than 34%.*

*HNPCL wishes to bring to the notice of the Ministry that the international price of imported coal has increased steeply since 1<sup>st</sup> week of November, 2016 and it has become uneconomical to import the coal and blend the same.*

HNPCL wishes to bring to the notice of the EAC and the Ministry that the Collieries are in various stages of implementing washeries near the mine heads so that the washed coal can be supplied to the power plants.

HNPCL has approached MCL for supply of washed coal and we were informed by MCL that washeries are being taken up for construction and washed coal is likely to be available during financial year 2018-19. HNPCL is regularly in touch with MCL with regard to implementation of washeries.

MCL vide their letter dated 21<sup>st</sup> September, 2016 had communicated that the washeries planned at Hingola, Jagannath, Basundhara and Ib Valley of 10 MT capacity are scheduled to become operational during the financial year of 2018-19.

HNPCL requests MOEF&CC to sympathetically consider the current situation of the steep prices of the imported coal and permit HNPCL to use 100% domestic coal till there is reduction of imported coal prices/ washed coal is made available by MCL.

Thanking You,

Yours Faithfully,

For Hinduja National Power Corporation Ltd,

Encl: a/a