

APP Comments on Draft Coal Mines (Special Provisions) Amendment Rules 2020

Sr. no	Provision as per Draft Amendment Rules 2020	APP Comments	Rationale
1.	<p>5. In rule 8 of the principal rules, in sub-rule (2),--</p> <p>(iii) after clause (b), the following clause shall be inserted, namely:</p> <p>“(ba) the purpose of allocation of the coal mine including, but not limited to, own consumption of coal, or for sale of coal.</p> <p>Explanation: For the purposes of this clause, own consumption may include consumption of coal in any specified end use or in any combination of specified end uses.”</p>	<p>Addition proposed in red text below:</p> <p>Explanation: For the purposes of this clause, own consumption may include consumption of coal in any specified end use or in any combination of specified end uses, regardless of the manner of use of the allocated coal as long as the end use has not been changed.</p> <p>(Thus, If any Discom or industrial user is allocated coal block for the purpose of generating power for self use, the said allocatee can either use the coal in his own plant, or issue coal to any other power plant owner on tolling / job work basis, and procure power from such power plant. As long as the power generated so is used for the use of the allocatee, the end use condition will be construed to have been fully satisfied)</p>	<p>The intention is to ensure the use of coal for the specified end use. The means of how the coal is used should be left flexible to the allocatee so that the allocatee can choose the most cost effective means of use of coal in overall interest of the country.</p>
2	<p>13. In rule 19 of the principal rules,</p> <p>(iii) after sub-rule (2), the following sub-rule shall be inserted, namely:</p> <p>“(2A) Before applying, the parties shall ensure that all parties to the arrangement or agreement are otherwise eligible for the allocation of the coal mine or grant of coal linkage, as the case may be, which are subject matter of such agreement or arrangement.”</p>	<p>It is suggested that the following may be deleted:</p> <p>“(2A) Before applying, the parties shall ensure that all parties to the arrangement or agreement are otherwise eligible for the allocation of the coal mine or grant of coal linkage, as the case may be, which are subject matter of such agreement or arrangement.”</p>	<p>The parties can enter into swapping arrangement only if they are holding a coal mine or coal linkage allotted under some policy of the GoI.</p> <p>Hence, this condition is restrictive. For example, if a coal mine is allotted to a Government company or corporation, this clause will restrict the swapping arrangement with an IPP who has linkage, even if both parties and country as a whole can benefit from such optimization. Hence, it is proposed that this amendment may be deleted.</p>