

Minutes of the meeting held by Sri Navin Kumar, Development Commissioner, Bihar in his chamber at Patna on 25.02.10

A meeting was held in Patna at 5 p.m. on 25th February, 2010 under the chairmanship of Shri Navin Kumar, Development Commissioner, Government of Bihar to discuss the prospects of movement of coal for various power plants located on the banks / in the vicinity of Ganga through inland water transport (IWT). The meeting was attended by the following officers:

- 1 Sri Sunil Kumar (IAS), Vice Chairman, IWAI
- 2 Sri Ravi Kant (IAS), Principal Secretary, Energy Dept, Govt Of Bihar
- 3 Sri P.K.Rai, Member, Bihar State Electricity Board
- 4 Sri S.S.Pandian, Chief Engineer, IWAI
- 5 Sri S. Srivastava, GM, NTPC
- 6 Sri P.C.Kumbhaj, GM, NTPC
- 7 Sri S.V.K.Reddy, Director, IWAI, Patna
- 8 Sri Mahabir Prasad, DGM, Kanti Bigli Utpadan Nigam Ltd.
- 9 Sri A.K.Mishra, Assistant Director, IWAI

2. Shri Navin Kumar welcomed the participants and requested Vice Chairman, IWAI to explain the concept and initiate the discussions.

3. Initiating the discussions, Vice Chairman, IWAI, made a brief power point presentation on the subject and highlighted the fact that National Waterway 1 ought to be viewed as a 'dedicated freight corridor' for the States of Uttar Pradesh, Bihar and West Bengal. Ganga provided direct linkage of Bihar to Kolkata and Haldia ports and NW 1 was now ready for large scale commencement of cargo movement. River Ganga (NW -1) was now ready for 24 hours operation between Haldia & Varanasi (1187 km).

4. He emphasized that IWT provided a viable, environment friendly logistics solution for transportation of coal for existing and upcoming thermal units of NTPC, BSEB, & Kanti Bijali Utpathan Nigam Ltd. to begin with. He cited the proposed logistics solution designed for transportation of 2.8 million tonnes of imported coal for Farakka and Kahalgaon Super Thermal Power Stations and stated that it was

possible to suggest a viable, multi-modal logistics solution wherein IWT was a major component for other power plants.

5. Member (BSEB) stated that for Barauni they require six rakes of coal per month and, once expansion is completed, their requirement would increase to six rakes of coal per day. He emphasized that they could consider transportation through IWT only on turnkey basis through Logistic Operators. He agreed with IWAI that coal movement by IWT shall be economical and would earn 'carbon credit' and felt that it was the right time to consider IWT mode for coal transportation for their future units

6. Representatives of NTPC stated that coal transportation through IWT mode shall be viable and could be considered as a supplementary mode of transportation. They also stated that the coal requirements of all the power generating agencies needs to be assessed and a policy decision needs to be taken by the Central Electricity Authority (CEA) on usage of various modes of transports (Rail, Road & IWT) for coal transportation. They further stated that their existing units could at best utilize only 15% of imported coal as it had high calorific value and low ash content and could be used only after blending the same with domestic coal. To a specific query from the Development Commissioner regarding the status of Barh STPS, it was stated that the first unit of second phase (660 MW) was expected to be ready for commissioning by June 2012 but the linked coal mine and the railway network may not be ready by that time.

7. Vice Chairman, IWAI stressed that Bihar was the biggest loser if NTPC units at Farakka and Kahalgaon continued to function at PLF ranging between 50 to 65%, which was much below the NTPC average of 90% or more and the situation will get aggravated if the new units at Barh were also forced to operate at low PLF due to shortage of coal, either due to delay in development of linked coal mines, inadequate coal linkages or transport bottlenecks. Hence, there was need to fully utilize the 'dedicated freight corridor' already in place in the shape of NW 1 without losing further time. In this connection he suggested that, as an important stake holder, Government of Bihar could take up the matter with Ministry of Power, Government of India and the NTPC.

8. Principal Secretary (Energy), Govt of Bihar mentioned that since even in case of those plants which had full coal linkage, CIL would not provide more than 80% of coal requirement and balance had to be arranged from other sources, there was a strong case for utilizing inland water transport for transportation of imported coal and possibly also domestic coal. He also felt that for the upcoming power units at Pirpainty, Lakhiserai, Chausa (Buxar), it would be appropriate to consider IWT as a transport option at the planning stage itself so that coal handling plant could be suitably designed. Further, if power plants are able to earn 'carbon credits', then that would be an added attraction for power plants. He also felt that it would be useful to hold a joint meeting with CIL, NTPC, IWAI, BSEB, Kanti Bijlee Utpadan Nigam etc. where the issue could be discussed in a holistic manner.

9. Development Commissioner agreed that IWT offered a viable logistics solution for movement of bulk cargo including coal and that Bihar should take advantage of this national asset. He felt that Principal Secretary (Energy), Govt. of Bihar should further discuss the matter with IWAI and other concerned agencies and formulate a concrete proposal on use of IWT as a supplemental mode for transportation of coal. He also urged NTPC officials to take all steps to ensure improvement in PLF of Kahalgaon and Farakka STPS so that power availability to Bihar could improve.

10. After detailed discussions, the following decisions were taken:

- i. IWAI and Principal Secretary (Energy), Government of Bihar would hold further discussions and explore the possibility of signing a Memorandum of Understanding (MoU) for enabling transportation of coal, whether domestic or imported, through IWT for existing as well as upcoming power plants in Bihar.
- ii. IWAI would get a Feasibility Study done and BSEB / Kanti Bijlee Utpadan Nigam would provide requisite details to the agency identified by IWAI for conducting the Feasibility Study.
- iii. State Government would also take up the matter of coal transportation through IWT with Central Electricity Authority (CEA) for issuance of appropriate policy directions to all Power Utilities.

- iv. NTPC was urged to take steps to ensure improvement in PLF of Kahalgaon and Farakka STPS so that acute power shortage in Bihar was minimized.
- v. A meeting could also be held which could be attended by CIL, NTPC, IWAI, BSEB, Kanti Bijlee Utpadan Nigam etc. where the issue could be discussed in a holistic manner.

The meeting ended with a vote of thanks to the chair.

Sd/-
(Navin Kumar)
Development Commissioner, Bihar

Memo No.: 76

/ Patna,

Date: 3/3/10

Copy forwarded for information & necessary actions to Vice Chairman, IWAI / Principal Secretary, Energy, GoB / Chairman, BSEB / General Manager, NTPC / Dy. G.M., Kanti Bijlee Utpadan Nigam Ltd. / Director, IWAI, Patna / Office Copy

Sd/-
(Pramod Kumar Verma)
OSD to Development Commissioner