

Shram Shakti Bhawan, Rafi Marg,  
New Delhi, 22nd March, 2026

To,

Coastal Gujarat Power Ltd. (CGPL)

**Subject: Directions to Imported Coal-Based generating companies under Section 11 of the Electricity Act, 2003 – regarding.**

Sir,

Considering the prevailing demand–supply scenario and the expected rise in electricity demand in the coming months, the Ministry of Power (MoP) is undertaking various measures. To ensure adequate availability of electricity, generation from Imported Coal-Based (ICB) plants needs to be enhanced. Accordingly, in the larger public interest and to ensure optimal availability of power, the following directions are issued under Section 11 of the Electricity Act, 2003:

- (a) The ICB power plant of **Coastal Gujarat Power Ltd. (CGPL)** shall operate and generate power to their full capacity.
- (b) The rates at which the power shall be supplied to PPA holders shall be worked out by a Committee, constituted by MoP, with representatives from MoP, CEA and NTPC. This Committee shall ensure that the benchmark rates of power so worked out meet all the prudent costs of using imported coal for generating power, including the present coal price, shipping costs and O&M costs, etc. and a fair margin.
- (c) The fixed charge will be as per the Power Purchase Agreements, or as has already been agreed mutually between the generating company and the Procurers.
- (d) The PPA holder shall have an option to make payment to the generating company according to the benchmark rate worked out by the Committee or at a rate mutually negotiated with the generating company.
- (e) This plant will supply power in the first instance to the PPA holders. Any surplus power left thereafter or any power for which there is no PPA will be sold in the Power Exchanges.
- (f) Where the plant has PPA with multiple DISCOMs, if one DISCOM does not schedule any quantity of power according to its PPA, that power will be offered to other PPA holder(s) and any remaining quantity thereafter will be sold through the Power Exchanges.
- (g) Where any DISCOM / State is not able to enter into mutually negotiated rates with the generating company and is also not willing to procure power at the benchmark rate worked out by the Committee; or is not able to make weekly payment, then such quantity of power shall be sold in the Power Exchanges.
- (h) If the PPA holder does not wish to requisition power from ICB plant for the following week/weeks, then it will inform the ICB plant at least three days in advance indicating

the period of intended non-requisitioning. The minimum period of requisitioning/ non-requisitioning shall be for a minimum of one week. Where a PPA holder does not send a requisition three days in advance for the following week, the ICB plant may generate and sell power to any other Distribution Licensee at the benchmark rate calculated by the Committee plus the fixed charge. In case of sale of power under above arrangement, the PPA holder shall not be liable to pay fixed charges for the duration of sale of power to any other distribution licensee. Once an intimation for not requisitioning power for a specified period as mentioned above, is given, the PPA holder shall not be entitled to get power from the ICB plant for that period.

- (i) If power is not scheduled by the procurer, the generator will bid the power in the power exchange, at the tariff to be determined by the Committee or at the mutually agreed tariff with the procurer. However, the bid will be cleared on MCP discovered on the power exchanges. In case the average MCP is less than the tariff determined by the Committee or the mutually agreed tariff with the procurer, then the generator will not be bound to sell power in the power exchange. However, if the average MCP is more than the tariff determined by the Committee or the mutually agreed tariff with the procurer, then the generator will mandatorily sell power in the power exchange.
- (j) The net profit, if any, by sale of power which is not sold to the PPA holder and is sold in the Power Exchanges, shall be shared between the generator and PPA holder in the ratio of 50:50, on a monthly basis.
- (k) As per the PPA, the Payment Security Mechanism (PSM) shall be maintained. A Letter of Credit (LC) is to be maintained by the procurer for the contracted power to be purchased. In case there is no LC, advance payment shall be made. The LC shall be unconditional. The LC shall be promptly encashed for payment and it should be timely recouped by the procurer for purchase of power from the generator. If there is no LC or advance payment or if the LC has not been recouped after encashment, then the generator will not schedule power to the procurer and will be entitled to sell the power in power exchanges. No formal consent from the procurer will be required for such sale. The net profit, if any, from such sale on power exchanges shall be shared with the procurer(s), on a monthly basis.
- (l) Payment by the procurer will be made on a weekly basis. A rebate in accordance with CERC norms or as per the PPA, whichever is higher shall be applicable.
- (m) The generator shall maintain coal stock as per the extant norms so that the plant operates at its full capacity.
- (n) The Generator shall submit a weekly report to MoP for the generation and sale of power from the ICB plants.
- (o) If the plant is made available as per the directions issued under Section 11 of the Act, no penalty can be imposed by the procurer on account of availability under PPA.
- (p) The plant will have to operate as per the directions, notwithstanding any prior outstanding dues of the generating company. Such outstanding dues shall be dealt with separately.
- (q) The ECR will be calculated as under:
  - (i) the cost of coal based on the index linked with the lower cost of imported coal, **(or)**
  - (ii) the cost of coal minus the mining profit as per the provision of sub-para (r) **(or)**

(iii) Actual ECR based on the price of imported coal provided by the seller.

Whichever is lower.

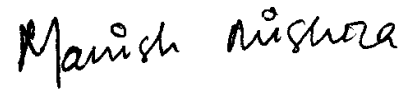
- (r) In case the coal is sourced from the country, in which the coal mine owned by the seller or its group company is located, the mining profit will be calculated based on the index used for imported coal from such country and the same will be deducted by the generating company.
- (s) In case of non-compliance of the direction given by MoP, penalty may be imposed as per the provisions of the Electricity Act, 2003.
- (t) The benchmark rates worked out by the Committee shall be reviewed every 15 days, taking into consideration the change in the price of imported coal; shipping costs etc.

2. This Order shall remain valid for generation and supply of power from 01.04.2026 to 30.06.2026.

3. Directions under Section 11 may also be extended to other plants, should the need arise in the future.

4. This issues with the approval of the Competent Authority.

Yours faithfully,



(Manish Mishra)  
Director

Tel: 011 - 2373 0265

**Copy to:**

- 1. The Chairperson, CEA
- 2. Secretary, CERC/FOR, New Delhi.
- 3. Secretary (Energy/Power), Gujarat.
- 4. CMD, Grid India

**Copy for information to:**

- 1. PS to Hon'ble Minister for Power/APS to Hon'ble MoS for Power
- 2. Secretary(Power)/Additional Secretary(R&R)/JS(Thermal)/CE(R&R), Ministry of Power