

No. 9/8/2024-St. Th.
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg
New Delhi, 30th January, 2026

To:

- i. CMDs/MDs of coal/lignite based Thermal Power Plants (Central / State / Private);
- ii. Principal Secretary/Additional Chief Secretary (Power/ Energy) of all States/UTs;
- iii. Chairperson, Central Electricity Authority

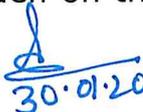
Subject: Revised guidelines for Coal and Lignite based Thermal Power Plants (TPPs) to utilize ash as stipulated in the MoEF&CC Notification dated 31.12.2021 and its subsequent amendments dated 30.12.2022 and 01.01.2024 – reg.

Madam/Sir,

The Ministry of Power (MoP) has issued guidelines dated 15.03.2024, in line with the Ministry of Environment Forest and Climate Change (MoEF&CC) Notification dated 31.12.2021 and its amendments dated 30.12.2022 and 01.01.2024, for disposal of ash by coal and Lignite Thermal Power Plants with primary objective of the Government to enforce 100% utilization of ash with least burden on the electricity consumers.

2. Several representations have been received from various stakeholders including Micro and Small Enterprises (MSEs), Cement Industries and TPPs to revise the MoP Guidelines dated 15.03.2024. Based on the representations received and in accordance with the aforesaid MoEF&CC Notification, the draft revised Guidelines were circulated by Ministry of Power for Stakeholders consultation. The comments/suggestions received from several stakeholders were duly examined, and necessary modifications have been incorporated to ensure that the guidelines remain comprehensive, implementable and aligned with the objectives of the MoEF&CC Notification.

3. Accordingly, the revised Guidelines are enclosed at **Annexure** for all the coal and lignite based Thermal Power Plants (Central / State / Private sector) for the disposal of 'Current and Legacy Ash' with the primary objective of meeting the ash utilization targets as per the said MoEF&CC Notification and also, reduce the tariff burden on the electricity consumers.


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4. All concerned are directed to take necessary action accordingly. Central Electricity Authority (CEA) shall monitor the implementation of these guidelines.

5. This issues with the approval of Hon'ble Minister of Power and Housing & Urban Affairs.

Encl: As above (06 pages)



(Satish Kumar)

Director (Thermal)

Tel: 011-23738817

Copy to:

- i. Secretary, Ministry of Environment, Forest & Climate Change;
- ii. Secretary, Ministry of Coal;
- iii. Secretary, Ministry of Road Transport and Highways;
- iv. Secretary, Ministry of Housing and Urban Affairs;
- v. Secretary, Ministry of Micro, Small and Medium Enterprises;
- vi. Secretary, Ministry of Mines;
- vii. Chairman, Central Pollution Control Board;
- viii. Chairman, State Pollution Control Boards/PCCs;
- ix. Chairman, National Highways Authority of India;
- x. All Chief Secretaries of States/ Union Territories;
- xi. Secretary, CERC;
- xii. Secretaries of all SERCs/JERCs.
- xiii. NIC Cell, Ministry of Power, for updating on website.

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**“Revised Guidelines
for
Coal and Lignite based Thermal Power Plants
(TPPs) to utilise ash as stipulated in the MoEF&CC
Notification dated 31.12.2021 and its subsequent
Amendments dated 30.12.2022 and 01.01.2024”**

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“MoP’s Revised Guidelines for coal and lignite based Thermal Power Plants (TPPs) to utilize ash as stipulated in the MoEF&CC Notification dated 31.12.2021 and its subsequent amendments dated 30.12.2022 and 01.01.2024”

All the coal and lignite based Thermal Power Plants (Central / State/ Private sector) shall follow the procedure given below for disposal of ‘Current and Legacy Ash’.

1. Procedure for disposal of Ash by TPPs:

A. General Procedure for disposal of ash:

- (i) *Issuable ash* (Fly ash, Bottom ash & Pond ash separately) per annum means quantity of ash available for issue by the Thermal Power Plants (TPPs) in a year after excluding ash for existing tie-ups and other commitments subject to technical restrictions, dyke safety and current / future ash generation. This quantity shall be declared by TPPs prior to start of the ash disposal process.
- (ii) TPPs shall provide ash to agencies for eco-friendly purposes as stipulated in the MoEF&CC Notification dated 31.12.2021 as amended on 30.12.2022 and 01.01.2024 through a transparent mechanism to achieve the compliance cycle target of ash utilization.
- (iii) TPPs may explore tie-ups for any duration particularly with the bulk consumers like cement manufacturers, fly ash-based product manufacturers etc. and for the export of ash through a suitable transparent mechanism to ensure sustainable ash utilization. This will also encourage better planning of capacity additions by the bulk consumers and export of ash and enhance opportunities for ash utilization.
- (iv) Modes for ash transportation: Besides conventional road transport, TPPs may also adopt other low-carbon options such as waterways, rail, Rail-cum-Road (RCR), or Roll-on / Roll-off (RoRo), pipeline system etc. for ash transportation.
- (v) All ash transporters shall be responsible as per para-C (4) of the MoEF&CC Notification dated 31.12.2021.

B. Procedure for Fly Ash supply to Micro and Small Enterprises (MSEs) and Local MSEs/Local Users engaged in ash-based products manufacturing:

- (i) A Thermal Power Plant (TPP) shall reserve a certain percentage of issuable quantity of fly ash separately for supply to Micro and Small Enterprises (MSEs) and 'Local users' at a concessional rate, in accordance with Clause D (4) of the MoEF&CC Notification dated 01.01.2024. The supply of fly ash shall be made on an "as is where is" basis.

The quantum of fly ash to be reserved for MSEs / 'Local Users' and the applicable concessional rate shall be determined by the Committee constituted at the plant level, to be chaired by the Head of the Plant (HoP). The Committee shall include members from the Local Administration, MSEs/ Ash users' associations, etc.

- (ii) The reserved quantity of fly ash referred to in para-B.(i) above, to be issued at concessional rates, shall be allocated through an Expression of Interest (EoI) process. The TPP shall invite EoIs from:
- (a) MSEs having either a valid 'Consent to Operate' (CTO) issued by CPCB / SPCBs, wherever applicable, or a valid MSE / Udyam registration certificate.
 - (b) 'Local Users' situated within a 100 km radius of the plant, on the basis of a self-declaration, confirming that the ash will be utilized solely for eco-friendly purposes.
- (iii) TPPs shall issue reserved fly ash quantity in a fair, transparent, and non-discriminatory manner on a pro-rata basis, based on the EoIs received from eligible MSEs / 'Local Users'.
- (iv) Untied fly ash quantity from the fly ash reserved for MSEs and 'Local Users' shall be included in the issuable fly ash quantity for 'other user agencies'.


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C. Procedure for Disposal of ash at Non-Pit Head and Pit Head Thermal Power Plants (Fly Ash, Bottom Ash and Pond Ash) among all users of Ash as per MoEF&CC Notification:

- (i) All coal and lignite based Thermal Power Plants shall undertake sale through a transparent mechanism. The preferred approach for this mechanism is via "Open Auction" with a predefined floor price of "Rupee One per Metric Ton (MT)".
- (ii) If, after para-C.(i) above, some quantity of ash still remains unutilized, then it shall be offered free of cost by inviting the EoI for lifting ash on "as is where is" basis and on 'first come, first serve' basis, provided the user agency is willing to bear ash transportation cost.
- (iii) If, ash remains unutilized even after compliance with the provisions of Para 1.C.(i) and (ii) above, the TPPs shall serve notices to agencies of identified avenues within a radius of 300 kms (Road, Dam, Shoreline Protection, Mine, Low Lying Area etc.), with a copy to the concerned State Pollution Control Board, for delivering ash free of cost and bearing cost of transportation as per para D (1) of the MoEF&CC Notification dated 31.12.2021 and its amendment Notifications dated 30.12.2022 and 01.01.2024.

D. Disposal of untied ash (Fly ash, Bottom ash & Pond ash) by Thermal Power Plants:

After compliance with the provisions of **Para 1.C.(i), (ii) and (iii)** above, for any **prospective ash utilization avenue involving transportation beyond a distance of 300 kms, irrespective of the actual mode of transport**, the financial liability of the Thermal Power Plant towards transportation cost shall be limited to the notional cost equivalent to transportation by road for a distance of up to 300 km only.

- E.** Further, disposal of balance untied ash (Fly ash, Bottom ash & Pond ash) after exhausting above steps may be carried out as per the best financial prudence of the Thermal Power Plants.

F. Procedure to be followed for Ash transportation where cost is to be borne by TPPs:

TPPs are required to prepare a panel of transportation agencies for a suitable period in accordance with applicable government regulations or organizational policies based on

competitive bidding for transportation to Road Projects / Dams / Shoreline protection / mines etc. which may be used for the period. Bids may be invited as per the State Schedule of Rates (SOR) (in which the TPP is located); in case the State SOR is not available, the Central SOR or any applicable SOR may be referred. The TPPs shall call for bids well in advance so that the transportation panel is in place as soon as the previous panel expires. There should be no gap between the expiry of existing panel and the finalization of the fresh panel.

2. **Applicability of Guidelines:**

These guidelines are in '**supersession**' of MoP's guidelines issued on 15.03.2024, and shall be followed by every coal or lignite based Thermal Power Plants (**i.e. including captive or co-generating stations or both**), mentioned at para-A (1) of the MoEF&CC Notification dated 31.12.2021. These guidelines shall apply "prospectively". Thermal Power Plants (TPPs) are advised to honour their existing ash contractual obligations until their expiry. For remaining ash quantity and new commitments, ash shall invariably be disposed of as per the transparent process as stated above in these guidelines.


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