

J-11013/41/2006-IA.II(I)
Government of India
Ministry of Environment & Forests

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Dated: 1st November, 2010

CIRCULAR

Sub: Consideration of Projects of Thermal Power, Steel Sector etc. for Environmental Clearance with sourcing of Coal from dedicated Coal Blocks / Coal India Ltd. - Regarding.

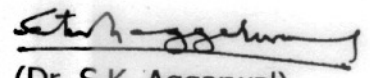
The EIA Notification, 2006 requires all developmental projects listed there under to obtain prior environmental clearance under the provisions thereof, which inter-alia include thermal power projects and metallurgical projects such as manufacture of steel and sponge iron. These projects require a large quantity of coal to be used as raw material. Availability of requisite quantity of coal is therefore essential to ensure the viability of these projects. In order to assess the likely adverse environmental impacts of such projects, it is desirable to have information about the quality of coal to be used in the project, its source and distance with respect to the location of the project. The quality of coal, besides environmental loading, also has a bearing on the land requirement for the project. In the absence of the correct data on the quality of coal, the carrying capacity of the area may be computed wrongly, which may adversely affect the futuristic planning of the area, based on environmental considerations.

2. Cases have come to light where substantial progress and investment has been made for setting up a power or steel plant without requisite environmental and forestry clearances in place for the captive coal mines / blocks or the coal linkage from the mines of M/s Coal India Ltd. (CIL) and its subsidiaries. It is, therefore, necessary that the status of environment and forestry clearance of the linked coal source is ascertained well in advance to avoid a fait accompli situation arising there from as also the public interest involved in preventing blockage of financial resources due to the absence of the raw material, i.e. coal.

3. In view of the above, it has been decided that all the proposals relating to thermal power projects, steel, sponge iron and any other such projects, which are largely dependent on availability of coal as a raw material, shall be considered only after the firm coal linkage is available and the status of environment and forestry clearance of the coal sourced i.e. the linked coal mine / coal block is known. In case of projects which are based on imported coal, a copy of the firm MOU signed between the coal supplier and the project proponent shall be required.

4. In the light of the forgoing, it has also been decided that all such proposals relating to thermal power, steel manufacture and sponge iron which are pending in the MoEF or with State Level Environment Impact Assessment Authorities (SEIAAs) / State Expert Appraisal Committees (SEACs) concerned for consideration of environmental clearance shall be deferred and delisted till the status of environment and forestry clearance of the coal supply source for Indian coal or the MOU for imported coal as stated in para 3 above has been established and furnished. This procedure shall come into force with immediate effect.

This issues with the approval of the Competent Authority.

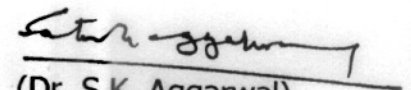

(Dr. S.K. Aggarwal)
Director

To

All officers of IA Division

Copy to:

1. All SEIAAs/ SEACs
2. PS to MEF
3. PPS to Secretary
4. PPS to AS (JMM)
5. PS to Advisor (NB)
- ✓ 6. Website of MoEF
7. Guard File.


(Dr. S.K. Aggarwal)
Director