



Ministry of Environment and Forests
GOVERNMENT OF INDIA

Subject: Coal-blocks linked to UMMP, NTPC and OPGC power plants in Odisha

I

1. 3 coal-blocks (Meenakshi-A, Meenakshi-B and Meenakshi Dipside) have been allocated to the 3960Mw/4000 Mw Ultra Mega Power Plant (UMPP) in Odisha that is an initiative of the Central government. 2 coal-blocks (Manoharpur and Manoharpur Dipside) have been allocated to the 1320 Mw power plant of the Orissa Power Generation Corporation (OPGC). 1 coal-block (Dulanga) has been allocated to NTPC's 1600 Mw power plant. **All the six coal-blocks are part of the Ib Valley coalfield and only one (Meenakshi-A) is presently in the "go" area, the other five being in "no go" areas.**

II

2. Since the UMPP had already advanced considerably and in response to persistent requests from it, discussions were held first with the Union Ministry of Power to see how the use of good quality forest land could be minimised in the UMPP-linked coal-blocks. Based on these discussions, I wrote to the Union Minister of Power on February 14th, 2011 saying that the Ministry of Power could consider the UMPP-linked coal blocks as having been approved but that this would mean the Ministry of Power giving up plans for the NTPC and OPGC power plants. This letter is at Annexure-I.

3. Subsequently, NTPC and OPGC also came forward and offered substantial changes in their mining plans. OPGC made the further argument that it was the only power plant of the three from which the state would get 100% power. OPGC also made a strong case for its coal-blocks on the grounds that this would be the first power plant to be set up by the OPGC, in which the state government now has a 51% stake, for almost two decades. The letter from Minister of Energy, Government of Orissa this regard is at Annexure-II

4. **To get a broader picture of the biodiversity impacts, it was decided to relook at the three projects together.** Another round of discussions commenced and the final meeting took place on June 27th, 2011. The picture that has emerged based on satellite imagery is as below.

	<i>VDF</i>	<i>MDF</i>	<i>ODF</i>	<i>Total</i>
	-----hectares-----			
UMPP				
<i>Original</i>	0	265	248	513
<i>Revised</i>	0	65	248	313
NTPC				
<i>Original</i>	2	272	37	311
<i>Revised</i>	0	195	35	230
OPGC				
<i>Original</i>	0	622	194	816
<i>Revised</i>	0	472	194	666

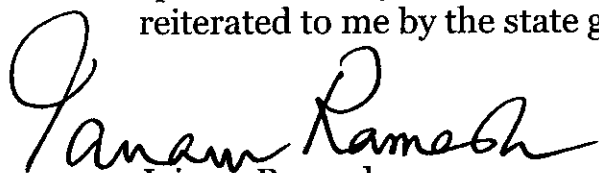
VDF-Very Dense Forest;
MDF-Medium Density Forest
ODF-Open, Degraded Forest

5. **Thus, it will be seen that a saving in forest area to be diverted of almost 40% in the case of the UMPP, 26% in the case of NTPC and 20% in the case of OPGC has materialised on account of the MoE&F's intervention and the cooperation received from the Ministry of Power, NTPC and OPGC.** The number of trees felled in the NTPC case falls from around 67,500 to 37,500 (a 44% reduction) and in the case of OPGC approximately 75,000 trees get saved. The numbers in regard to the UMPP have yet to be worked out but here too, the MoE&F will insist on a significant reduction.

6. It also bears mention that all the power units being put up with the coal mined in these six blocks will use **supercritical technology**. This will result in a saving of around 5-8% in terms of carbon dioxide emissions from each of the generating units as compared to a comparable sub-critical 500 Mw unit.

7. In view of the above two factors, all six blocks will now be considered by the FAC as “go” areas. OPGC’s proposal that is pending with the FAC will now be taken up by the FAC in its next meeting and the proposals relating to the UMPP and NTPC will be considered when they are received from the Odisha government. The **additional** condition that will be imposed over and above the usual conditions governing forest clearance (NPV, compensatory afforestation, wildlife management plans, etc) is that the **project proponents will bear the cost of regeneration of an area of open, degraded forest land equivalent to the amount of medium-density forest land being diverted.**

8. Finally, it should be pointed out that the UMPP and the NTPC power plants are both in Sundergarh district while the OPGC power plant in Jharsuguda district. Ash disposal and water availability need special focus by the Ministry of Power in Sundergarh district, a point reiterated to me by the state government as well.



Jairam Ramesh
MOS(I/C)E&F
June 29th, 2011

ANNEXURE-I

**LETTER OF MOS (I/C) E&F TO UNION MINISTER OF POWER
DATED FEBRUARY 14TH, 2011**

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जयराम रमेश
JAIRAM RAMESH



राज्य मंत्री (स्वतंत्र प्रभार)
पर्यावरण एवं वन
भारत सरकार
नई दिल्ली-110003
MINISTER OF STATE (INDEPENDENT CHARGE)
ENVIRONMENT & FORESTS
GOVERNMENT OF INDIA
NEW DELHI - 110 003

14th February 2011

My dear Sushil Kumarji -

I understand that you have given a statement today that the Orissa UMPP has been cleared by the MoE&F.

I hope that you have been informed of the conditions associated with this clearance:

1. Out of 265 hectares of good quality forest land, 200 hectares will be saved and not be subject to mining;
2. The Dulanga Coal block of NTPC which is close to this UMPP block will not be worked since this will involve loss of good quality forest cover;
3. The coal block of Orissa PGL close to the UMPP block will also be not opened up since this would also add to the loss of forest cover.

It is only after an assurance from the Ministry of Power that these three conditions will be met, will the approval for UMPP coal block be formally granted.

I have tried very hard to accommodate the Ministry of Power. Since you did not have any flexibility on the size of the UMPP (4000 MW), these conditions have become essential.

Very warm regards
With regards,

Yours sincerely,

Jairam Ramesh

(Jairam Ramesh)

Shri Sushilkumar Shinde
Minister of Power
New Delhi

ANNEXURE-II

**LETTER FROM MINISTER OF ENERGY, GOVERNMENT OF
ORISSA DATED 25th JUNE 2011**

ATANU SABYASACHI NAYAK
MINISTER OF STATE (Ind. Charge)
Energy, Orissa



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D.O. No. 1280 /MSE (I)

BHUBANESWAR

Dated the 25.6.2011

Respected Sairam Ramakrishna,

Sub: Re-categorization of Manoharpur & Dip-side coal blocks of Orissa Power Generation Corporation from 'NO-GO' to 'GO' category & forest clearance thereof.

I take this opportunity to thank you for providing time to meet and discuss with you about the important state sector project namely Orissa Power Generation Corporation (OPGC), the only state PSU with foreign direct investment in power sector. As you already know, OPGC was allocated Manoharpur and Dip side coal blocks in Sundergarh district of Orissa in July 2007, however these blocks had been categorized in to 'NO-GO' category by Ministry of Environment & Forest in the year 2009 (retrospectively). This categorization of 'NO-GO' of these two coal blocks allocated to the state PSU seriously affects the expansion plan of the corporation and creates shortfall in meeting the power requirements of the state of Orissa.

OPGC, apart from having made significant progress in developing both the coal mine and the end use project, has also completed the Forest Diversion Proposal (FDP) at the state government level and the state government has already recommended the same to the Ministry of Environment and Forest Government of India. Recently OPGC had engaged Orissa Space Applications Centre (ORSAC), a government agency to re-evaluate the Weighted Forest Coverage (WFC) and Gross Forest Coverage (GFC) based on the latest and high resolution data obtained from NRSC, Hyderabad. I am quite happy to let you know that the WFC & GFC percentage of Manoharpur coal block works out to be only 10.7% & 31.7% respectively (as against the earlier data of 23.5% & 51.4%). Considering the marginal difference with the stipulated norm of 10% & 30%, MoEF, Government of India can easily consider this case and categorize this block in to 'GO' category. On a combined cluster concept also the Dip side can be considered favourably by Government of India and categorize in to 'GO' category.

Enclosed along with this is a brief self explanatory note prepared about these blocks and justifications on why and how these two blocks should be categorized in to 'GO' category without having to compromise on the preservation or regeneration of the forest cover.

ATANU SABYASACHI NAYAK
MINISTER OF STATE (Ind. Charge)
Energy, Orissa



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Dated the

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Given the changed circumstances with the latest calculated and certified results of ORSAC, I request you to personally look in to this matter, re-evaluate the issues and provide a favourable decision categorizing these blocks in to 'GO' category. This action will enable the state and the corporation to start the power plant construction immediately meeting the power needs of the state and the country within the twelfth plan period. I sincerely expect the Union Government to support the State Government's project keeping in mind the merit of the project and the Rs.11,000 crores investment it will bring in to the western part of Orissa.

With Regards,

Yours sincerely,

Atanu
25.6.11
(Atanu Sabyasachi Nayak)

SHRI. JAIRAM RAMESH,
Hon'ble Minister of State (Independent Charge),
Ministry of Environment & Forests,
New Delhi.