



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

Shram Shakti Bhawan, Rafi Marg,  
New Delhi, 15th March, 2024

**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

**Sub:** Guidelines for coal or lignite based Thermal Power Plants (TPPs) to utilise ash by providing it to the 'user agencies' as stipulated in the MoEF&CC Notification dated 31.12.2021 and its subsequent amendments.

**Sir/Madam,**

Ministry of Environment, Forest & Climate Change (MoEF&CC) vide its Notification No. S.O. 5481(E) dated 31st December 2021 issued a Notification on utilization of ash by coal or lignite based Thermal Power Plants. The Notification was issued by MoEF&CC in supersession of all its previous Notifications issued in this regard. The MoEF&CC Notification dated 31.12.2021 is further amended on 30.12.2022 and 01.01.2024.

2. Ministry of Power had issued an Advisory to all Thermal Power Plants on 22.02.2022 which was in line with the MoEF&CC Notification dated 31.12.2021, the primary objective of which is to maintain transparency, prevent malpractices and ensure 100% utilisation of ash with least burden on the electricity consumers to provide affordable power to consumers.

3. The ash disposal is being done by coal or lignite Thermal Power Plants as per the Ministry of Power advisory dated 22.02.2022. Now, MoEF&CC vide Notification No. S.O. 05 (E) dated 01.01.2024 has further amended its Notification dated 31.12.2021, which makes it necessary to further streamline the procedure for TPPs and amend the advisory dated 22.02.2022 in such a manner that the primary objective of the Government to ensure 100% utilisation of ash with least burden on the electricity consumers, can be achieved.


4. The MoEF&CC amendment dated 01.01.2024 has also stipulated that the coal or lignite based thermal power plants, while utilising ash under the notification shall reserve certain percentage of ash for supply to all micro and small enterprises engaged in ash-based product manufacturing namely, bricks, blocks, tiles, sintered or cold bonded ash aggregates, fibre cement sheets, pipes, boards, panels for sale at concessional price or through limited auction **in accordance with the 'Guidelines' issued by the Central Government in the Ministry of Power.**

5. In view of the above, all coal and lignite based thermal power plants (Central/State/Private) are hereby advised to provide ash to the user agencies for all their new commitments as per the following guidelines in accordance with MoEF&CC Notification dated 31.12.2021 and its amendments on 30.12.2022 and 01.01.2024.

#### **Procedure for disposal of ash by TPPs:**

##### **A. General Procedure for disposal of ash:**

- i. **Issuable ash per annum** means the quantity of ash available for issue by a TPP in a year, subject to technical restrictions, safety and current/future ash generation. This quantity shall be declared by TPPs prior to start of the annual ash disposal process.
- ii. The Power Plant shall provide ash to user agencies for eco-friendly purpose as stipulated in the MoEF&CC Notification dated 31.12.2021 as amended on 30.12.2022 and 01.01.2024 through a transparent bidding process.
- iii. TPPs are advised to invite bids on annual basis or for longer period but not more than three years specifying Issuable Quantity on per annum basis. The TPPs shall start the bidding process well in advance (at least 4 months before the end of current financial year) so that all tie-ups are available before the commencement of the next financial year.
- iv. TPPs shall conduct the 'Limited Auction' for Micro and Small Enterprises and the 'Open auction' for all users of ash separately.
- v. For Micro and Small Enterprises the bid threshold shall be 50 tonnes.
- vi. For Open Auction the bid threshold may be higher.


  
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**B. Procedure for 'Limited Auction' for sale of Dry Fly Ash to Micro and Small Enterprises engaged in ash based product manufacturing:**

- i. **Reserve Quantity:** The 'Reserved Quantity' shall be **1.10** (one point one zero) times of the highest quantity issued up to previous three years to these Micro and Small Enterprises by the TPP. If there is no previously issued quantity available, TPP shall reserve 20% (twenty per cent) of issuable quantity for first year of limited auction.
- ii. **Floor Price:** The 'Floor Price' (Reserved Price) for the limited auction for Micro and Small Enterprises shall be 50 % of the lowest price of the ash discovered by the TPP in the last 'Open Auction' of the dry fly ash among all users subject to a minimum floor price (Reserved Price) of Rs 1.00 (one) per Metric Tonne (MT).
- iii. Based on the Reserved Quantity as per para 5 B(i) and the Floor Price (Reserved Price) as per para 5 B(ii) TPPs shall conduct limited auction annually exclusively for Micro and Small Enterprises engaged in ash-based product manufacturing namely bricks, blocks, tiles, sintered or cold bonded ash aggregates, fibre cement sheets, pipes, boards, panels, as per para D(4) inserted to the MoEF&CC Notification dated 31.12.2021 amended on 01.01.2024.
- iv. Limited auction of Reserved Quantity shall be conducted among Micro and Small Enterprises having valid "Consent to Operate"(CTO) issued by CPCB/SPCBs if applicable or with a valid MSE registration.
- v. The Concerned Pollution Control Board shall verify that ash issued to Micro and Small Enterprises is being utilized to make ash-based products as per the MoEF&CC Notification.
- vi. The balance quantity, if any, left untied in the limited auction shall be included in the quantity for open auction for all users.

**C. Procedure for 'Open Auction' for sale of Ash (Dry Fly Ash, Bottom Ash and Pond Ash) among all users of ash as per MoEF&CC Notification:**

- i. The balance dry fly ash quantity arrived after excluding the reserved quantity at para B(i) above, and including the untied quantity at para B(vi) above, bottom ash and pond ash shall be put up for open auction process among all user agencies as per the MoEF&CC Notification.

  
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- ii. If after auction some quantities of ash still remains un-utilized, then it shall be offered through open Expression of Interest (EOI) for lifting ash on 'as is where is' basis, to be given free of cost on first come first serve basis, if the user agency is willing to bear transportation cost.
- iii. Even after the steps taken in Para 5(C)(i) to 5(C)(ii) above, if the ash remains unutilised, the TPPs shall serve notices (as per MoEF&CC Notification dated 31.12.2021 and its amendment on 30.12.2022 and 01.01.2024) to the nearest user agencies engaged in construction activities such as road laying, road and flyover embankments, shoreline protection structures in coastal districts and dams and the mine owners located within 300 kms radius from TPPs to use ash mandatorily in their projects/back filling of mine voids and deliver ash free of cost and the cost of transportation shall be borne by TPPs. In case of refusal by the nearest user agencies upon which notice has been served and ash quantity still remains unutilised, the TPP shall serve notice to the next nearer user agency within 300 km radius as per the MoEF&CC Notification. A copy of this communication is also to be marked to the State Pollution Control Board concerned as per the MoEF&CC Notification.
- iv. Even after steps taken in Para 5(C)(i) to 5(C)(iii) above, if the ash remains un-utilized and the TPPs assess that it may not be able to comply with the MoEF&CC target timelines on ash utilisation and have to pay Environment compensation on the unutilised ash, the TPPs may apply their best business practices/financial prudence in assessing at their plant level to give the ash on mutually agreed terms to the user agencies in transparent manner to comply with the extant provisions of the MoEF&CC Notification to meet full utilisation of ash.
- v. In case, ash is provided free of cost and with free transportation; the user agency shall be obliged to source the ash from the nearest TPPs to reduce the cost of ash transportation. If the nearest TPP refuses to do so, the user agency shall approach Ministry of Power for appropriate directions.

**D. Procedure to be followed for transportation cost to be borne by TPPs:**

Thermal Power Plants shall prepare a panel of transportation agencies every year based on competitive bidding for transportation to Road Projects/Embankments/mines etc. in slabs of 50 Kms, which may be used for the period. The TPPs shall call for bids well in advance so, that the transportation panel is in place as soon as the previous panel

  
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expires. There should be no gap between the expiry of existing panel and the finalization of the fresh panel.

6. The Appropriate Commission shall scrutinize any expenses regarding ash utilization proposed to be passed through in tariff by the Generation Company (GENCO) in accordance with these guidelines to ensure that the least possible burden is passed on to electricity consumers while Generating Company fully complies with MoEF&CC notification dated 31.12.2021 and its amendments on 30.12.2022 and 01.01.2024 and full transparency is ensured by Generating Company as envisaged in these Guidelines.

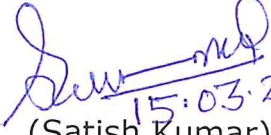
#### 7. **Applicability of Guidelines:**

These guidelines are in super-session of guidelines issued on 22.02.2022 and shall be followed by every coal or lignite based thermal power plant (i.e. including captive or co-generating stations or both), mentioned at para A (1) of the MoEF&CC notification dated 31.12.2021 and its amendments on 30.12.2022 and 01.01.2024. These guidelines apply prospectively. TPPs are advised to honour their existing commitment of selling/transportation of fly ash on the basis of rates arrived through a transparent competitive bidding/ State Schedule of rates etc., till the expiry of their existing commitment. For remaining quantity and new commitments, dry fly ash, bottom ash and pond ash shall invariably be disposed through a transparent step-wise process as stated at para 5 of this Guidelines.

8. The Enforcement, Monitoring, Audit and Reporting of these Guidelines shall be as para-E of the MoEF&CC Notification dated 31.12.2021 and its amendments on 30.12.2022 and 01.01.2024.

9. All concerned are directed to take necessary action in this regard.

10. This issues with the approval of Hon'ble Minister of Power & NRE.

  
15.03.2024  
(Satish Kumar)  
Director (Thermal)  
Tele: 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, National Highways Authority of India.
- ix. All Chief Secretaries of States/ Union Territories.
- x. Secretary, CERC.
- xi. Secretaries of all SERCs/JERCs.