



SHAKTI Policy

Why in News?

- Recently, the Ministry of Power has announced a **Scheme for Procurement of Aggregate Power of 4500 MW** on competitive basis for five years on Finance, Own and Operate (FOO) basis under **B (v) of SHAKTI Policy**.

What are the Key Features of the Scheme?

- Under the scheme, PFC Consulting Ltd has invited **bids for the supply of 4,500 MW**.
 - PFC Consulting Limited (A wholly owned subsidiary of PFC Ltd) has been designated as the **Nodal Agency by the Ministry of Power**.
- The Ministry of Coal has been requested to allocate around 27 MTPA (Million Tonnes per Annum) for this.
- This scheme is expected to help the states that **are facing power shortage and also help generation plants to increase their capacities**.

What is SHAKTI Policy?

- **About:**
 - **Ministry of Power (MoP)** in 2017 cleared the Coal Linkage Policy known as **SHAKTI (Scheme to Harness and Allocate Koyla Transparently in India)**.
 - The Policy provides coal linkages **to power plants which lack fuel supply agreements (FSAs)** through coal auctions.
- **Objectives:**
 - The aim of the Shakti scheme is to **ensure the availability of coal to all the Thermal Power Plants** in India, in a way that is transparent and objective.
 - The scheme is supposed to be beneficial not just for the infrastructure sector, but also for the **public sector banks which have huge loans unpaid** at the end of the power companies.
 - The scheme also aims to **reduce the dependence on imported coal and promote domestic industries**.

Source: PIB