

## Reply to the Queries (Setting up of a Thermal Power Plant on BOO basis TE090/2016)

1. What is the power tariff rate available for power producers

Ans: There is no fixed number, it is negotiable. EDM negotiates depending on the location of the Power Generation Plant, availability of Power Transmission Infrastructure (with capacity of transmission of power generated) and load demand of the region. So we may have some producers with rate of 10Usc/Kwh and others with rate of 12Usc/Kwh. These numbers are some examples and the information is not disclosed by the concessionaire and EDM.

2. How much steam coal is being produced by the mine that would be available for the power plant. For example we need 1.1 million tonnes of coal per year to produce 280mw of energy however this is lignite coal with a low calorific value so the volume of steam coal would be lower.

Ans: Tonnage available per annum (Please refer clause number 6.1 e of the Tender document)

1 Thermal Coal -----300,000

2 Low Heat Value Coal -----2,500,000

3 Tailings---- 200,000

4 What is the specification of the steam coal (Thermal Coal as Under)

Ans :

	Thermal Coal								
	Yield (%)	Total Moist % (as)	Moist % (ad)	Ash%	Rapid Ash % (ad)	Vol % (ad)	F C % (ad)	Sulphur (%)	CV MJ/kg (ad)
Benga Specification		5.0	1.0	28.000	28.0	18.800	52.200	0.90	24.100

Note that the Gross Calorific value is about 25,0 MJ/Kg which is equivalent to 5971.125 Kcal.

5 How much steam coal is in the resource statement (also known as the JORC report). We will want a 25-30 year supply.

Ans: The in situ reserves for the seam that are being mined in Benga namely, **C, D and E** is **197,847,728 tonnes (over 197 million tonnes)** and the thermal coal yield is 10%, Low Heat Value Coal yield is 50% and Tailings yield is 5%.

Hence those 3 seams will have capability to produce **about 20 million tonnes** of thermal coal , about 100 Million tonne of Low Heat Value Coal and 10 Million tonne of Tailings .

6 What is the nearest substantial source of water that can be used for cooling the turbines.

Ans: The nearest water source available is Zambezi river within a distance of about 5Km from the location where the Power Plant is planned to be.

7 What is the long term intention of Steel Co of India regarding the ownership of the mine. Is it regarded as a long term asset?

Ans: Yes.

8 What is the current relationship with the Government.

Ans: It is very good .

9 The current financial situation of the Mozambique Government is very bad. Would the steel company be willing to discuss underwriting the power purchase agreement between the local operating company (to be called IM Power Mozambique Ltda) and the Mozambique National Grid Company.

Ans: Southern Africa has a grid connecting 8 countries and this grid is 28 Km from the proposed power plant site. MBL will not be underwriting the PPA.