

**GOVERNMENT OF INDIA
MINISTRY OF POWER
LOK SABHA
UNSTARRED QUESTION NO.1109
ANSWERED ON 08.02.2024**

COAL-FIRED POWER STATIONS

1109. SHRI ABHISHEK BANERJEE:

**Will the Minister of POWER
be pleased to state:**

- (a) the details on the import of coal during the last five years, including quantities, sources and trends;
- (b) the details of the lending norms in place for coal-fired power stations, emphasizing financial criteria and environmental compliance;
- (c) the details of the current framework for Power Purchase Agreements (PPAs) in the coal sector, including key terms and conditions; and
- (d) the strategies and plans framed for expanding coal-based generation capacity in the near future?

A N S W E R

THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY

(SHRI R.K. SINGH)

(a) : The details of coal imported by Domestic Coal Based plants and Imported coal based plants during last five years and the current year is as under:

(All Figures in Million Tonnes)

Period	Receipt of Imported Coal			
	Import by Domestic Coal based Plants (for blending)	Import by Imported Coal based Plant	Total Import	% Growth
2018-19	21.4	40.3	61.7	-
2019-20	23.8	45.5	69.2	12.3%
2020-21	10.4	35.1	45.5	-34.3%
2021-22	8.1	18.9	27.0	-40.6%
2022-23	35.1	20.5	55.6	106.1%
2023-24 (April-December)	17.1	29.5	46.6	3.9%*

*This growth is compared to the corresponding period of 2022-23.

[During the period: April – December (2022-23), the total import was 44.8 MT [Import by Domestic Coal based Plants (for blending) : 28.8 MT + Import by Imported Coal based Plants : 16.0 MT]

Power plants designed on domestic coal use imported coal for blending purpose whereas power plants designed on imported coal import coal for their fuel requirement.

As coal is under open general licence (OGL), power plants import coal as per their preference and source based on their commercial prudence.

(b) : Financial Institutions follow specific lending norms for coal-fired power stations to ensure responsible financing. These norms include maintaining a reasonable capital structure with a maximum Debt: Equity ratio of 80:20 and acceptable financial ratios like Internal Rate of Return (IRR) and debt service coverage ratio (DSCR). Funds are typically provided by consortium of lenders and loan repayment tenor is restricted to 80% of the project's economic life.

Besides this, Environmental compliance is a crucial aspect, with clearances required from relevant authorities such as Ministry of Environment, Forest and Climate Change, State Pollution Control Board, and others. Projects undergo a thorough analysis, considering factors like Environmental Impact Assessment, land acquisition status and potential pollution impact as well as other Statutory clearances related to coal linkage, water allocation and aviation clearance for chimney height for availing financial assistance. Funds are disbursed only upon full compliance with these conditions and documentations.

(c) : Power Purchase Agreements (PPAs) under Section 63 of the Electricity Act, 2003 are guided by the model PPAs issued by the Ministry of Power for procurement of power. The model PPAs inter alia have provisions for Change in Law, Force Majeure, Tariff, Performance Security, consequences of default, Payment Security Mechanism, etc.

Further, Ministry of Power (MoP) has issued the following framework for Power Purchase Agreements (PPAs):

- 1. FOO (Finance, Own and Operate)**
- 2. DBFOO (Design, Build, Finance, Own and Operate)**
- 3. DBFOT (Design, Build, Finance, Operate and Transfer)**

(d) : To ensure an uninterrupted power supply for the nation's growth, the total anticipated thermal capacity addition by 2031-32 will be 93380 MW. Currently, 26380 MW of thermal capacity is under construction, 11960 MW has been bid out and 19050 MW is under clearance. With the addition of this capacity, the installed thermal capacity will be 283000 MW in 2031-32.
