

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:263
ANSWERED ON:24.02.2010
SUPPLY OF COAL TO POWER PLANTS
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Will the Minister of COAL be pleased to state:

- (a) the annual demand of coal for power generating plants of West Bengal;
- (b) the quantum of coal to be provided by Coal India Limited as per Memorandum of Understanding (MoU) signed with State Power Generation Corporation;
- (c) the quantum of coal supplied to these plants and the sources thereof;
- (d) the reasons for the shortfall in the quantum of coal required to be supplied to the plants;
- (e) the competitive prices of imported coal and coal provided by Coal India Limited;
- (f) the adverse impact of large quantity of ash content in Indian coal on power generation; and
- g) the remedial action taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF COAL (INDEPENDENT CHARGE) AND MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (SHRI SRIPRAKASH JAISWAL)

(a) The Central Electricity Authority (CEA) assesses the demand/coal requirement of various thermal power stations in the country. As per the Annual Contracted Quantity (ACQ) recommended by CEA, 14.60 million tonnes have been recommended for the plants of West Bengal Power Development Corporation Limited (WBPDC) and 3.20 million tonnes for the plants of Durgapur Projects Limited (DPL) during 2009-10.

(b)&(c): Supply of coal to all existing power stations drawing coal as on 31st March, 2009, including those located in West Bengal are in terms of Fuel Supply Agreement (FSA). The contractual commitment vis-à-vis actual supply of coal for the period April-January, 2010 from Coal India Limited (CIL) sources, source-wise to WBPDC and DPL is given in the table below:-

(Figures in million tonnes) (Provisional)

Generating Source company	Annual Contracted Quantity	Commitment Contracted till January, 10	Despatch	Material- isation
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West Bengal Power Development Corporation Limited (WBPDC)	Eastern Coalfields Limited (ECL)	4.150	3.374	3.409	101%
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Bharat Coking Coal Limited (BCL)		1.300	1.057	1.368	129%
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Mahanadi Coalfields Limited		9.150	7.430	3.080	41%
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(MCL)

Total	14.600	11.861	7.857	66%	
Durgapur Project Limited (DPL)	Eastern Coalfields Limited (ECL)	0.300	0.244	0.376	154%
Bharat Coking Coal Limited (BCCL)		0.900	0.732	0.133	18%
Mahanadi Coalfields Limited (MCL)		2.000	1.627	0.821	50%
Total	3.200	2.603	1.330	52%	

(d) While the supplies from Eastern Coalfields Limited and Bharat Coking Coal Limited have been more than the committed quantity to WBPDCCL plants, the overall dispatch from CIL sources was less than the commitment level because of less lifting of coal by the power stations from Mahanadi Coalfields Limited (MCL). WBPDCCL was initially reluctant to lift coal from MCL and subsequently from November, 2009 onwards due to less availability of railway wagons, dispatch from MCL could not pick up. Sporadic unloading constraints at the power stations and unit shutdown at Santaldih TPS also resulted in less overall dispatches. DPL has also been reluctant to lift coal from BCCL and MCL and had not submitted programme for supply of coal to these coal companies.

Further, through a Memorandum of Understanding (MOU) both WBPDCCL and DPL agreed to take additional coal of low ash content and of higher calorific value (Grades A, B & C) from the loss making identified underground mines of Eastern Coalfields Limited (ECL) at an import parity adjusted price. ECL has made additional dispatch of 1.11 million tonnes and 0.146 million tonnes under this MoU to WBPDCCL and DPL respectively.

(e) As per the information available, currently the Cost Insurance Freight (CIF) price of Indonesian non-coking coal of Gross calorific value of about 5500 K.Cal/Kg, equivalent to Grade C Raniganj coal of ECL, imported at an East coast port, is around 81 US \$ per tonne, equivalent to Rs. 3753 per tonne considering an exchange rate of Rs. 46.33 per US \$. With the present custom duty at 5%, the total price of imported coal at Indian un-load port works out to Rs. 4093 per tonne. Compared to this, the ex-pithead price of Indian coal varies from Rs. 678 per tonne (Grade F coal of MCL) to Rs. 2973 per tonne (Grade A coal of Northern Coalfields Limited).

(f)& (g) The quality of coal produced by CIL is largely of lower grades because of the reasons that the coal deposits in India have inherently high ash content due to their Drift origin. Accordingly, most of the power stations in India are designed for the use of indigenous high ash coal. Further, the consumers, especially from the power sector, are getting their coal washed through washeries to reduce ash content in coal to some extent. Coal India Limited is also in the process of enhancing their washery capacity in different subsidiary companies.