

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:5105
ANSWERED ON:10.12.2010
COAL BASED POWER GENERATION
Yadav Shri Madhusudan

Will the Minister of POWER be pleased to state:

- (a) whether the electricity generated by coal produced from private coal block at par with electricity generated from coal purchased at market rate;
- (b) if so, the details thereof; and
- (c) the steps being taken by the Government to remove this paradox and create `level playing field` in coal based power generation?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI)

(a) to (c) : Cost of electricity generation in coal based plants depends on a number of factors such as size, technology and location of plant as well as quality of fuel. Coal based generation continuing to be mainstay of electricity generation programme in the country, coal blocks were allocated to power utilities for captive use inter-alia for speeding-up the development of coal mines and production of coal as well as for reduction in cost of power generation. Cost of generation of power projects based on captive coal blocks is substantially lower than similarly placed and sized coal based power plants based on imported coal or even coal linkage. This is reflected in the fact that the prices quoted for the two ultra mega power projects (namely, Sasan and Tillaiya) based on domestic coal blocks are substantially lower than other similar projects. The cost of power generation through these modes would, therefore, continue to remain different.