

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

STARRED QUESTION NO:416
ANSWERED ON:08.12.2010
SUPPLY OF COAL
Mithlesh Shri

Will the Minister of COAL be pleased to state:

- (a) whether there exists any differential norms for coal linkages for the power plants commissioned before 1 April, 2009 and those commissioned thereafter;
- (b) if so, the details thereof;
- (c) whether new power plants commissioned after 1 April, 2009 are supplied coal less than their requirement and directed to operate at normative Plan Load Factor (PLF);
- (d) if so, the reasons therefor;
- (e) whether the old power plants and those commissioned before 1 April, 2009 are adequately protected in terms of coal linkage despite their unimpressive track record and inefficiency in operation;
- (f) if so, the reasons and justification therefor; and
- (g) the steps being taken to ensure adequate supply of coal to the new power plants for their operations at normative PLF?

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) to (g): A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (g) of Lok Sabha Starred Question No. 416 for 8.12.2010

(a) to (d): Most of the power plants drawing coal from Coal India Limited (CIL) sources before 1st April, 2009 were commissioned before 2005. These power plants were already drawing coal and started getting coal supply through Fuel Supply Agreement (FSA), as provided in the New Coal Distribution Policy (NCDP) 2007, with effect from 1st April, 2009. On the basis of overall availability of 306 MT of coal from Coal India Ltd (CIL) sources for such power stations, Central Electricity Authority decided the Annual Contracted Quantity (ACQ) for each of the plants drawing coal as on 31st March, 2009 for entering into Fuel Supply Agreement (FSA) with CIL. The ACQ was decided by CEA based on actual drawal of such plants, considering the Plant Load Factor and power generation target in each case.

In respect of new plants which were commissioned after 1st April, 2009, it has been mutually agreed between Central Electricity Authority (CEA) and CIL that the quantity of coal to be supplied to them from CIL sources would depend only on the incremental availability of coal for power utilities offered by CIL for allocation by Central Electricity Authority (CEA) on year-to-year basis. Further, in view of the widening gap between demand and indigenous availability of coal from CIL sources, new plants may have to depend on some quantity of imported coal as well for meeting their requirement.

(e) & (f): The Annual Contracted Quantity (ACQ) under FSA for old plants, i.e. those drawing coal from CIL sources before 1.4.2009 has been fixed at 306 Million Tonnes as allocated by CEA and such supplies would be for the period of twenty years with effect from 1.4.2009, with a provision for review of the ACQ every five years, as per the terms of the FSA. Improvement in efficiency of the power plants is a continuous process which is being addressed by Central Electricity Authority/Ministry of Power.

(g): Steps are being taken for increasing coal production from domestic sources. CIL on its part has taken initiatives for inviting global tender for import of coal to meet the requirements of power utilities.