

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:401

ANSWERED ON:14.03.2012

COAL RESERVES WITH POWER PLANTS

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Will the Minister of COAL be pleased to state:

- (a) whether the coal reserves at various power plants was less than the prescribed limit ;
- (b) if so, the details of power plants where this situation has been faced during the last three years, and the current year, State-wise and the reasons therefor;
- (c) whether the Prime Minister's Office has given direction to meet at least 80% requirement of coal of power plants or get ready to pay a penalty;
- (d) if so, the details thereof;
- (e) the steps taken/proposed to be taken by the Government to meet requirement of coal of various power plants and also honour the directives of the Prime Minister's Office;
- (f) whether the Government has taken steps or propose to take to ensure rapid capacity addition at the grassroots to achieve service standards and affordability and encourage private participation for the same; and
- (g) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF COAL(SHRI PRATIK PRAKASHBAPU PATIL)

(a): Power Stations are required to carry coal stock to the tune of 15 days' requirement in case of pithead power stations and 30 days' requirement for other than pit-head power stations. However, more than 20 power stations have been carrying critical coal stock (i.e. stock less than 7 days' requirement) in the last three years and in current year.

(b): Number of power stations carrying critical coal stock in the last three years and current year is 37 on 1.3.2009, 21 on 1.3.2010, 32 on 28.2.2011 and 34 on 29.2.2012. Details of State-wise TTP-wise coal stock as on 1.3.2009, 1.3.2010, 28.2.2011 and 29.2.2012 are at Annexure-I. Unloading constraints of TPPs, heavy rains affecting transportation and wagon loading during monsoon months, intermittent law and order problems affecting transportation and wagon loading particularly in Jharkhand and Orissa, wagon availability constraints of Railways during peak production months of December to March, less import of coal by power stations against targets fixed by Central Electricity Authority are some of the factors resulting in critical coal stock position of the power stations.

(c) and (d): A meeting was held in Prime Minister's Office to discuss, inter alia, the issues relating to shortage of coal and find out ways to meet the requirement of power sector. As a result of the discussions, the following decisions have been taken:-

(i) Coal India Limited (CIL) will sign Fuel Supply Agreement (FSA) with power plants that have entered into long term Power Purchase Agreements (PPA)s with Electricity Distribution Companies (DISCOMS) and have been commissioned/would get commissioned after 31.3.2009 and on or before 31.3.2015.

(ii) with the plants included in (a) above that have been commissioned upto 31.12.2011, CIL will sign FSAs before 31.3.2012.

(iii) the FSAs that will be signed with regard to power plants in (a) above shall be for full quantity of coal mentioned in the Letters of Assurance (LoAs) for a period of 20 years, to be reviewed after every five years, with trigger level of 80% for levy of disincentive and 90% for levy of incentive.

(iv) to meet its commitments, CIL may reduce coal meant for e-auction from 10% to 7% of its production progressively till the end of 12th Plan.

(e): In order to implement the decisions as mentioned above, CIL is gearing up to supply coal to power stations from alternate sources including imported coal in respect of any shortfall over and above the available production.

(f) and (g): Obtaining environmental and forestry clearances, land acquisition & related R&R issues are the prerequisites for rapid capacity addition for which necessary steps are being taken at appropriate levels. Issues related to law & order and coal evacuation facilities are also being addressed.

The underground manual workings have been mechanized to the extent feasible, using side discharge loaders and load haul dumpers. Further, new underground mines using continuous miner and high capacity longwall equipment are being planned. In opencast mines, deployment of large size equipment, maintenance of haul roads, control of bench slopes & overburden dump slopes with computerized models etc. are some of the important approaches in improving productivity and service standards.

Regarding private participation, removal of overburden and extraction of coal in opencast mines is being outsourced.