

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:2796
ANSWERED ON:29.08.2012
SUPPLY OF DESIRED GRADE COAL
Singh Shri Rakesh

Will the Minister of COAL be pleased to state:

- (a) whether Coal India Limited has not supplied the desired grade coal to the thermal power stations of Madhya Pradesh;
- (b) if so, the details thereof;
- (c) whether 'A' and 'B' grade costlier coal, in place of 'E' and 'F' grade coal, has been supplied;
- (d) if so, whether it is adding to the cost of power generation in Madhya Pradesh;
- (e) if so, whether the Government proposes to allot coal in sync with the demand in view of the rising cost of power generation; and
- (f) if so, the steps taken/being taken by the Government in this regard?

Answer

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

(a) & (b): Supply of coal to any thermal power station, including the thermal power stations of Madhya Pradesh, is made in terms of bilateral legally enforceable Fuel Supply Agreement (FSA) executed between the thermal power station and the concerned subsidiary coal company of Coal India Limited (CIL). Grade of coal to be supplied depends upon the availability with the concerned coal company. Madhya Pradesh Power Generating Company Limited (MPPGCL) had represented that supply of A and B grade coal to Sanjay Gandhi Thermal Power Station, Birsinghpur be restricted.

(c) & (d): As per information received from MPPGCL, about 40% of higher grade coal of South Eastern Coalfields Limited/Korea Rewa was supplied to Sanjay Gandhi Thermal Power Station with its resultant effect on the cost of power generation.

(e) & (f): The Inter-Ministerial Task Force constituted to examine the issue of rationalization of existing sources of coal supplies for thermal power stations has, inter-alia, recommended rationalization of coal supplies for Sanjay Gandhi and Satpura Thermal Power Plants of Madhya Pradesh Power Generating Company Limited (MPPGCL). It has also recommended reduction in quantity allocated to Gujarat State Electricity Corporation Limited (GSECL) from Korea Rewa fields of C/D grade coal and proportionate increase from Korba fields of South Eastern Coalfields Limited (SECL) by swapping quantities of Madhya Pradesh Power Generation Company Limited (MPPGCL). The recommendations of the Task Force, duly approved by the competent authority, were forwarded to Coal India Limited (CIL) in September 2011. One of the Electricity Boards has, however, raised objections on implementing the recommendations concerning their power utilities. Since the recommendations made by the Task Force are inter-linked and any refusal on the part of any consumer(s) will affect the entire exercise, Central Electricity Authority/Ministry of Power has been requested to intervene to get the recommendations implemented fully.