

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

STARRED QUESTION NO:105

ANSWERED ON:17.08.2012

SUPPLY OF COAL TO POWER PROJECTS

Das Gupta Shri Gurudas; Tarai Shri Bibhu Prasad

**Will the Minister of POWER be pleased to state:**

- (a) whether a number of power projects have been shelved/delayed/stopped production or producing power much below to their installed capacity due to non-availability/shortage of coal;
- (b) if so, the details of the power generation/capacity addition affected as a result thereof along with the total demand and actual supply position of coal to various power projects, project-wise and State/UT, Coal company-wise;
- (c) whether a high level committee was constituted to ensure regular and uninterrupted supply of coal to the power projects/units;
- (d) if so, the details thereof along with the reasons for failing to supply coal to power projects as per their demand; and
- (e) the corrective steps being taken or proposed to be taken by the Government in this regard?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF POWER (DR. M. VEERAPPA MOILY)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. 105 TO BE ANSWERED IN THE LOK SABHA ON 17.08.2012 REGARDING SUPPLY OF COAL TO POWER PROJECTS.

(a)&(b): None of the power projects linked to Coal India Ltd. (CIL) have been shelved/delayed/stopped due to non-availability of coal. Mahatma Gandhi Thermal Power Station in Haryana remained under shut down for around two months due to delay in signing of Fuel Supply Agreement (FSA) with subsidiary of Coal India Ltd. for commencement of supply of coal during the period April- June, 2012. Details of coal based thermal power stations which had generated electricity below the programmed/targeted level due to shortage of coal during the period April – July, 2012 is given at Annex-A. Coal supply position in respect of these power stations for the period April- July, 2012 is given at Annex-B.

(c) to (e): After appropriate consideration it has, inter alia, been decided on 1st February, 2012 to take follow-up actions:

(i) CIL will sign FSAs with power plants that have entered into long-term PPAs with DISCOMs and have been commissioned/ would be commissioned on or before 31st March, 2015.

(ii) With the plants included in

(i) above that have been commissioned up to 31st December, 2011, CIL will sign FSAs before 31st March, 2012.

(iii) The FSAs will be signed for full quantity of coal mentioned in the Letters of Assurance (LoAs) for a period of 20 years with a trigger value of 80% for levy of disincentive and 90% of 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 that end of 12th Plan.

(v) In case of any shortfall in fulfilling its commitment under the FSAs from its own production, CIL will arrange for supply of coal through imports or through arrangements with states/Central PSUs who have been allotted coal blocks for power plants and/or with state mining/industrial corporation and Central PSUs allocated coal blocks for commercial mining.

Delay in signing of FSA/MOU by the subsidiaries of Coal India Limited with the power utilities is one of the reasons for inadequate supply of coal to thermal power stations.

Coal India Limited has agreed to enhance coal supply to power plants from approximately 312 Million Tonne in 2011-12 to 347 Million Tonne in 2012-13. Regular periodic meetings are being held in the Ministry to monitor and recommend required action for ensuring adequate and timely supply of coal in coordination with Ministry of Coal and Railways.