

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:3009
ANSWERED ON:29.08.2013
IMPORT OF COAL
Joshi Shri Pralhad Venkatesh

Will the Minister of POWER be pleased to state:

- (a) the impact of high-grade coal imports on prices of electricity in cases where electricity is generated from the imported coal;
- (b) whether the industry-wide efforts to boost power generation especially among firms that rely on lower-quality imports to maintain the financial viability of their projects will be stalled if the rise in electricity price is not agreed by the Ministry;
- (c) if so, the details thereof;
- (d) whether the Government proposes to provide subsidies to lessen the financial burden on coal importing power generators as well as hike the power tariff to make generation of electricity from imported coal more viable; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF POWER (SHRI JYOTIRADITYA M. SCINDIA)

- (a) : Price of imported coal depends upon various factors such as inter- alia, heat value, moisture content, ash content, source of origin, ocean freight, etc. and varies from week to week. The price of domestic coal also varies from mine to mine depending upon Grade/ GCV Value of coal. Further, landed cost of imported coal at power plants depends upon its distance from the coast. As ocean freight and inland transportation cost are a major component that contribute towards the landed cost of imported coal, therefore, import of high grade coal results in saving of transportation cost.
- (b) & (c) : Higher cost of imported coal is to be considered for pass through as per modalities suggested by CERC. Ministry of Coal has issued suitable orders supplementing the New Coal Distribution Policy (NCDP). Ministry of Power have issued appropriate advisory to CERC/SERCs to consider the request of individual power producers to decide for pass through of higher cost of imported coal on a case to case basis. Consequential changes in price of electricity would be the domain of appropriate regulatory commission.
- (d) :There is no such proposal under the consideration of Central Government.
- (e) :Does not arise in view of (d) above.