

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:3248

ANSWERED ON:11.02.2014

UKAI TPS

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Will the Minister of COAL be pleased to state:

- (a) the total annual coal requirement of Ukai TPS of Gujarat State Electricity Corporation Ltd. and the source from where the same is allocated;
- (b) whether the Government proposes to increase the allocation of coal to the Ukai TPS from the Western Coalfields Ltd. to meet its requirements;
- (c) whether the Government has made any study to assess that the supply from the Western Coalfields Ltd. would result in reduction of the transportation cost thereby making the production of power cheaper;and
- (d) if so, the details thereof and if not, the reasons therefor?

Answer

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

(a) Coal is supplied by Coal India Limited (CIL) to Ukai Thermal Power Station (TPS) as per the Fuel Supply Agreement (FSA) executed between Gujarat State Electricity Corporation Limited (GSECL) and subsidiary coal companies of CIL for an Annual Contracted Quantity (ACQ) of 4.17 Million Tonnes(MT) as allocated by Central Electricity Authority (CEA). Out of this, 0.93 million tonnes is supplied from Western Coalfields Limited (WCL) and 3.24 million tonnes from South Eastern Coalfields Limited (SECL). For Unit-6 of Ukai TPS which has been allocated Mahanadi Machakata coal block, a Letter of Assurance (LoA) has been issued from SECL on tapering linkage basis for the coal quantity of 2.081 MTPA.

(b)to(d) The request of Gujarat for enhancement of allocation of coal from Western Coalfields Limited (WCL) was examined by the Task Force constituted by Ministry of Coal for rationalization of sources for existing coal consumers. The Task Force recommended for 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 Generating Company Limited (MPPGCL). The rationalization of sources recommended by the Task Force between different consumers was inter linked. The recommendations could not be implemented as all the consumers concerned did not agree to the revised arrangement.

While the demand for coal is spread across the length and breadth of the country, availability of coal is confined to only 8 States. Long term linkages had already been committed to various power plants in the country from CIL sources including WCL. Linkages granted subsequently would only be from possible sources and therefore, long distance haul cannot be avoided altogether.

The decision of source of allocation of coal is taken on the basis of long-term availability of coal in the source, potential for incremental production, transport logistics available etc. The major coal reserves of Coal India Limited (CIL) are concentrated in the coalfields of Karanpura (Northern India), Ib, Raigarh (East Central India), Korba (Central India) and Talcher (Eastern India) and these are considered as upcoming coalfields. Therefore, power stations in Gujarat are predominantly supplied coal from coal fields of South Eastern Coalfields Limited (SECL) located in the State of Chhattisgarh. Growth prospect in coal production in Western Coalfields Limited (Western India) is low and the coal available at Western Coalfields Limited is already linked to various power stations and other industries. Hence, further coal allocation has to be sourced from other coalfields.