

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:2587
ANSWERED ON:12.03.2015
REGULATIONS FOR COAL IMPORT
Pala Shri Vincent H

Will the Minister of COAL be pleased to state:

- (a) the extent of damage to thermal power production due to shortage of coal during the last three years and the current year with specific reasons for such losses, year-wise;
- (b) whether the regulations for coal import will be relaxed to augment the thermal power production; and
- (c) if so, the details thereof?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF COAL, POWER AND NEW & RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a): Details of loss of generation to thermal power stations due to shortage of coal during last three years and the current year as reported by power utilities to Central Electricity Authority(CEA) are as under:

Years	Generation loss due to shortage of coal in Billion Unit (BU)
2011-12	11.6
2012-13	15.8
2013-14	8.1
2014-15 up to February 2015	2.7

(b)&(c): In order to bridge the shortfall in domestic availability of coal, power utilities were advised by CEA to import coal. However, import of coal is prerogative of respective power utilities and quantity of coal import for blending purpose depends upon design parameter of the boiler etc. and getting generation schedule by a power plant in merit order scheduling.

(a) Coal India Limited (CIL) has been dispatching more than 95% of the targets fixed in the supply plan finalized as part of Annual Plan by Ministry of Coal. During the last two years, despatches to Power Utilities have been 100% and 95% of targets in 2012-13 & 2013-14 respectively and in current year (up to February, 2015) target materialisation has been 95% as may be seen from the table below:

Despatch of Coal & Products to Power Utility Sector from CIL (in Million Tonnes)			
Year	Target	Despatch %	Materialisation
2012-13	342.31	345.51	100%
2013-14	376.18	353.83	95%
2014-15 (upto February, 2015) (Provisional)	365.56	348.50	95%

Coal India Limited (CIL) has reported that despatch Performance could have been even better but for the following factors hampering performance:

(i) Intermittent law and order problems hampering coal movement particularly in States of Jharkhand and Orissa. In fact, transport to Kanika siding is stopped during day time by Order of District Collector since last ten months and in Talcher at 3 & 4 sidings, there is intermittent stoppage of transport and despatch.

(ii) Sub-optimal utilization of captive modes like MGR by power stations

(iii) Mismatch between indents and wagon supply and unloading constraints hampering wagon supply to the desired extent.

(iv) Heavy rains during monsoon season and heat wave conditions during summer season hampering optimal level of coal transportation and movement.

(v) Payment constraints of Thermal Power Plants(TPPs) hampering coal supplies constraining coal companies to regulate coal

supplies as per terms of FSA in line with payment received from TPPs.

(vi) Delay in completion of railway links like Jharsuguda-Barpalli in Mahanadi Coalfields Limited (MCL) command area and Tori-Shivpur in Central Coalfields Limited (CCL) command area hampering coal despatches from Basundhara mines of MCL and Amrapali mines of CCL.

(b)&(c): Considering the gap between coal demand and indigenous availability, Government of India has placed coal under Open General Licence to facilitate import of coal freely by anyone in the country on payment of applicable duties. Over the years, Government has also reduced the import duty on coal and in Union Budget for 2014-15, Government had rationalised the import duty for all types of coal and coke to 2.5%.