

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:2685

ANSWERED ON:12.03.2015

SWAPPING OF COAL SUPPLIES

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Will the Minister of COAL be pleased to state:

- (a) whether the Government has approved a scheme to swap coal supplies between various power plants with nearest source of the fuel;
- (b) if so, the details thereof;
- (c) the number of public sector power companies that will be involved in swapping of coal supplies;
- (d) whether the coal swapping scheme is to be implemented in phases;
- (e) if so, the details thereof; and
- (f) the other steps taken by the Government for rationalization of coal supply that would lead to additional power production?

Answer

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

(a)&(b): The matter related to formulation of a policy for swapping of imported and domestic coal supplies for power plants was discussed in the Standing Linkage Committee (Long-Term) [SLC(LT)] meeting held on 11.08.2014. The Committee recommended the proposal of swapping of coal between Gujarat State Electricity Corporation Limited (GSECL) and National Thermal Power Corporation (NTPC). The domestic coal against Fuel Supply Agreement (FSA) of GSECL from Korea-Rewawas allowed to be supplied to NTPC for their Sipat plant. Only destination change of domestic coal was allowed, keeping all other terms constant, subject to railway logistics. Arrangement with respect to imported coal was to be on their mutual terms, subject to decision in this regard by Central Electricity Authority /Ministry of Power.

(c) to (f): To undertake comprehensive rationalisation of sources of coal with a view to optimize transportation cost and materialization under given technical constraints, a new Inter-Ministerial Task Force (IMTF) was constituted on 13.06.2014. This IMTF has submitted its Report and the same has been circulated on 02.02.2015 to all concerned for implementation. The recommendations inter-alia include rationalization of Linkage sources for 19 Power Utilities (PUs) in Stage-I, by swapping linkage/ MOU coal between different coal companies to optimize distances and maximizing despatches of coal. Some of these recommendations are interlinked, hence can be implemented only if all concerned Thermal Power Plants (TPPs) agree to it.

The Task Force recommended rationalization of six swap set of PUs in Stage- II, which shall be modelled on the GSECL, Gujarat and NTPC swap between imported and domestic coal. These swaps shall be confined to public sector units, to start with. These swaps are listed below:

S.No State Participating Companies

1. Tamil Nadu TANGEDCO & NTPC
2. Gujarat GSECL & NTPC
3. Maharashtra Mahagenco, NTPC & NSPCL
4. Rajasthan RRVUNL & NTPC
5. Punjab and UP PSPCL, DVC and UPRVUNL
6. Haryana HPGCL, DVC and APCLP

In Stage-III, a stepwise approach to achieve further rationalisation has been recommended by IMTF by identification of clusters which would result in net reduction of the overall costs, and can be effected with consent of the Gencos/States.