

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:4182

ANSWERED ON:07.08.2014

ACUTE SHORTAGE OF COAL

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Will the Minister of COAL be pleased to state:

- (a) whether the power plants in the country are suffering from acute shortage of coal due to which electricity generation is deteriorating in the country and if so, the details of the power plants being affected for want of coal, State-wise;
- (b) the requirement of coal by the power plants and the supply made to them during the last three years and the current year, plant and State-wise;
- (c) whether the depleting coal stocks may force the power plants to shut down due to Coal India Limited's failure to ramp up production, inadequate loading due to law and order problems and bottlenecks in the Railways that delay the supply chain;
- (d) if so, the details thereof; and
- (e) the short term and long term measures taken/being taken by the Government to improve the supply of coal to power plants in the country including better matching of users and supply points?

Answer

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

(a): As on 30th July, 2014, out of 100 coal based power plants monitored by Central Electricity Authority (CEA), 46 Thermal Power Plants (TPPs) were having critical coal stock of less than 7 days' requirement, out of which 23 TPPs were having super critical coal stock of less than 4 days' requirement. During the period April-June, 2014 coal based generation had a growth of 14.4% over the same period of previous year. The state-wise details of the power plants affected for want of coal, is at Annexure-I.

(b): The requirement of coal by the TPPs and the supply made to them during the last three years and the current year, plant and State-wise is at Annexure-II.

(c)&(d): Out of 46 TPPs having critical coal stock as on 30.07.2014, supply from Coal India Limited (CIL) sources has been less than the Fuel Supply Agreement (FSA) commitment, only in respect of 3 TPPs, for which subsidiary coal companies have been advised to increase the coal supplies. Supply from CIL has been more than 100% of FSA commitment for 5 TPPs and in line with FSA commitment for 15 TPPs. For the remaining 23 TPPs, supply has been less due to various factors not exclusively attributable to CIL i.e high level of outstanding dues resulting in supplies in line with payment received from TPP, less lifting by TPP through captive modes, less submission of program for despatch by rail and logistic constraints of Railways resulting in wagon supply not in line with indents of subsidiary coal companies etc.

(e): Considering the gap between coal demand and indigenous availability, Government of India has placed coal under Open General License 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 has rationalized the import duty for all types of coal and coke to 2.5%. In order to ensure adequate availability of coal to the power plants, CIL has been impressed upon to enhance production of domestic coal in the country and power utilities have also been advised to enhance import of coal wherever necessary to meet the shortfall. The total quantity for e-auction of coal has been reduced substantially and the balance diverted to the power sector. With a view to monitor coal supplies to Power Utility Sector, an Inter-Ministerial Sub-Group comprising representatives of Ministry of Power, Ministry of Coal and Ministry of Railways has been constituted. This Sub-Group takes various operational decisions for meeting any contingent situations relating to Power sector including critical coal stock position.

Further, CIL has offered all Power Generating Companies drawing coal under FSAs, to lift the coal on "as is where is" basis with the stipulation that they will make their own transport arrangements. This scheme, which was earlier implemented by the coal companies, has been extended for 2014-15 also. All TPPs, having FSA from CIL sources have been informed to lift coal under this scheme by arranging their own logistics for movement from coal offered from various pithead locations. All out efforts are being made by coal companies for continued supply of coal to all TPPs in the country and to improve materialization. A new Inter-Ministerial Task Force has also been constituted to undertake a comprehensive review of existing coal sources and to consider feasibility for rationalization of the sources with a view to optimizing transportation cost.

CIL has also offered 1 MT of coal from cost plus mines of Western Coalfields Limited (WCL) through short-term Memorandum of Understanding (MOU) as extension of "as is where is basis" scheme to power stations of National Thermal Power Corporation (NTPC) and Andhra Pradesh Power Generation Company (APGENCO) located in Andhra Pradesh and presently facing critical coal stock issues arising out of less receipt of coal from Mahanadi Coalfields Limited (MCL)/ Singareni Collieries Company Limited (SCCL).

Further, the Government has taken various steps to ensure time bound production which include efforts to expedite Environment & Forest clearances, pursuing with State Government for help in expediting land acquisition and coordinated efforts with Railways for movement of coal. Steps have been taken by Coal India Ltd. and its subsidiaries to augment coal production which includes capacity addition from new projects and use of mass production technologies.