

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:764

ANSWERED ON:27.11.2014

SHORTAGE OF COAL

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Will the Minister of COAL be pleased to state:

- (a) whether there is huge shortage of coal supply to power sector resulting in shortage of power and delay in power generation projects in the country and if so, the details thereof and the reasons therefor;
- (b) the demand of coal of various power plants and supply made to them during the last three years and the current year, year-wise, company-wise and State-wise;
- (c) whether some power plants have been closed down for want of coal;
- (d) if so, the State-wise details thereof and the steps taken by the Government to enhance the production of coal and to improve the supply of coal to the power sector; and
- (e) whether coal is imported to bridge the gap between the demand and supply and if so, the details thereof and the steps being taken thereon?

Answer

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

(a): For the year 2014-15, Coal requirement for the indigenous coal based thermal units vis-à-vis coal availability from indigenous sources and coal requirement for plants designed on imported coal is as detailed below:-

Figures in MT	
S. No.	Description 2014-15
1.1	Coal requirement for plants designed on indigenous Coal 554
1.2	Coal requirement for plants designed on imported coal 40
1.3	Total 595
2.	Coal Availability from indigenous sources
2.1	From CIL Sources 405
2.2	From SCCL 35
2.3	From captive Mines 33
2.4	Total coal availability from indigenous sources 473
3.	Shortfall of indigenous coal (1.1 - 2.4) 81

Therefore, there is an overall shortage of approximately 81 MT of indigenous coal for power sector.

(b): As per extant policy/directives of Government, coal is supplied to Power Utility sector under Fuel Supply Agreement (FSA) having a tenure of 20 years and occasionally through short-term Memorandum of Understanding (MOU) under best-effort basis. FSA is concluded in line with Long-term Linkage / Letter of Assurance granted on the basis of normative coal requirement in respect of TPPs commissioned after 31.3.2009. In respect of TPPs commissioned up to 31.3.2009, plant-wise ACQ was decided by Central Electricity Authority (CEA) from the total availability of 306 Million Tonnes from CIL. State-wise, TPP-wise details of coal despatch against FSA/MOU commitment from CIL sources during the last three years and current year up to Oct'14 is furnished in Annexure-1.

(c)&(d): None of the power plants was closed due to shortage of coal. However, some of the power plants operated sub-optimally for

some time due to shortage of coal.

During April, 2014 to October, 2014, there has been a growth of 15.4% in coal-based generation over the corresponding period of last year. Coal supply from CIL sources to power utilities in the country has improved. It has been 208.71 MT (Provisional) which is 94% of 223.09 MT, the supply plan target finalized by Ministry of Coal as part of Annual Action Plan for 2014-15 for the period April to October, 2014.

In order to ensure adequate availability of coal to power utilities, Coal India Limited (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 to meet the shortfall in domestic availability of coal.

In addition to above, 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.

(e):Coal imports in the country has been reported by Coal Controller's Organization in their Provisional Coal Statistics: 2013-14 to be to the tune of 102.85 MT, 145.79 MT and 168.44 MT in 2011-12, 2012-13 and 2013-14 respectively. In the Annual Plan for 2014-15, All India Coal Demand has been assessed to be 787.03 MT against which supplies from indigenous sources has been planned at 643.75 MT, with a gap of 143.28 MT to be met through imports by consuming sectors.

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. In the Union Budget for 2014-15, Government has rationalized import duty to 2.5% for all types of coal and coke.