

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:3031
ANSWERED ON:11.12.2014
SUPPLY OF COAL
Solanki Dr. Kirit Premjibhai

Will the Minister of COAL be pleased to state:

- (a) the quantity of coal supplied to the Gujarat State Electricity Corporation Limited (GSECL), from South Eastern Coalfields Limited (SECL) and Western Coalfield Limited (WCL), by Coal India Limited (CIL);
- (b) whether the Government has considered allocating coal to Gujarat from the nearby WCL, rather than far-off SECL, to minimize transportation costs;
- (c) if so, the action taken by the Government in this regard;
- (d) if not, the reasons therefor; and
- (e) the steps taken by the Government to address quality issues pertaining to the coal supplied by CIL?

Answer

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

(a): Quantity of coal supplied to Thermal Power Plants (TPPs) of GSECL from WCL and SECL during 2013-14 and current year (up to November 2014) is tabulated below:

Coal Despatch from CIL sources to GSECL TPPs
(in Million Tonnes)

Subsidiary 2013-14 2014-15 (up to November, 14)
(Provisional)

	FSA Quantity	Despatch	FSA Quantity	Despatch
WCL	0.93	0.49	0.59	0.66
SECL	16.44	10.01	10.47	8.80
Total CIL	17.37	10.50	11.06	9.46

(b): Power stations situated in Gujarat are predominantly supplied coal from coal fields of South Eastern Coalfields Limited (SECL) located in the state of Chattisgarh in Central and East Central India. A small quantity of coal is also supplied from the coalfields of Western Coalfields Limited (WCL) located in Western India in the State of Maharashtra and from Mahanadi Coalfields Limited (MCL) located in Eastern India in the State of Orissa.

The decision on 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 reserves of Coal India Limited 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. There is not much growth prospects in coal production at Western Coalfields Ltd. (Western India). Coal available at Western Coalfields Limited is already linked to various power stations and other industries, so much so that even the power stations of Maharashtra are being supplied about 40% of coal from the states of Orissa and Chattisgarh.

(c&d): The request of Government of Gujarat for enhancement of allocation of coal from Western Coalfields Limited was examined by the Inter-Ministerial Task Force constituted by Ministry of Coal on 25.06.2010 to review the existing sources and consider feasibility for rationalization of linkages from these sources with a view to minimize the transportation cost for Power Utilities, Cement, Steel & Sponge Iron sector. The recommendations of the Task Force regarding Gujarat were for reduction in quantity of coal allocated to Gujarat State Electricity Corporation Limited (GSECL) from Korea Rewa coal fields and proportionate increase in Korba coal fields of South Eastern Coalfields Limited (SECL) by swapping quantities of MPPGCL and GSECL. The Task Force's recommendations could not be implemented as MPPGCL did not agree to the revised arrangement.

To undertake an optimization exercise again, Ministry of Coal has constituted a new "Inter- Ministerial Task Force" (IMTF) on 13.06.2014 to undertake a comprehensive review of existing sources of coal and consider the feasibility for rationalization of these sources with a view to optimize transportation cost and materialization.

(e): To address the issues of dispute between coal companies and power utilities/developers and to bring about improvement in the

quality of coal supply, the system of Third Party Sampling was introduced w.e.f 01.10.2013 by the selection of agencies through a transparent bidding process at the subsidiary coal companies. Joint sampling/3rd party sampling and analysis facilities at loading ends are provided to the power utilities under Fuel Supply Agreement (FSA) for assessment of quality of coal jointly by the buyer and the seller and payment is made by the buyers as per the quality of coal so assessed jointly and thereby loading of proper quality coal to the power plants is ensured and taken care of. All other FSA holders, having annual contractual quantity of 4 lakh tonnes per annum and above, are also provided with the same facility of joint sampling/3rd party sampling at loading end. 25 Agencies have been empaneled for Third Party Sampling.