

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:3101
ANSWERED ON:11.12.2014
ALLOCATION OF COAL
Patil Shri Chandrakant Raghunath

Will the Minister of COAL be pleased to state:

- (a) the criteria of coal allocation to Gujarat from the Western Coalfields Limited (WCL);
- (b) the action taken by the Union Government to allocate coal from the WCL to Gujarat;
- (c) whether the Union Government is considering to allocate fuel subsidy to Gujarat to compensate additional financial implications on account of import of additional coal for power generation; and
- (d) if so, the details thereof?

Answer

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

(a):Coal based units including Power stations situated in Gujarat are predominantly supplied coal from coal fields of South Eastern Coalfields Limited (SECL) located in the state of Chhattisgarh 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. While, 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) as these are considered as upcoming coalfields, there is not much growth prospect 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 Chhattisgarh.

(b): 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 Korbacoal 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.

(c):No, Madam.

(d): Does not arise.