

Steps to Ensure Coal Supply To Power Plants

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Coal companies supply coal to its linked Central/State Gencos under long term bi-lateral Fuel Supply Agreements (FSAs) and as per terms and conditions of these FSAs.

Due to increased demand of power, less power generation by imported coal based power plants and some interruption in supply of coal due to heavy rains, the coal stock at the power plants depleted to 7.2 MT (sufficient for 4 days) as on 8th October, 2021. Subsequently with increased coal supplies, the coal stock has started increasing and has now reached 18.5 MT (sufficient for 10 days) as on 05.12.2021.

The overall power supply position in the country is comfortable with only a marginal gap of about 0.5% between energy requirement and energy supplied. Even this marginal gap is generally on account of factors, other than inadequacy of power in the country for the following reasons, i.e. constraints in distribution network, financial constraints, commercial reasons, outage of generating units, etc.

In order to meet the expected increase in power demand several power projects have been planned and are in various stages of construction. Hydro projects totaling to about 12663.5 Mega Watt (MW), thermal projects totaling to about 31665 MW and nuclear capacity of about 8700 MW are under various stages of construction. Further, Govt. of India has also set a target of 175 Giga Watt (GW) Renewable Energy (RE) installed capacity by 2022.

The government has taken the following measures for increase the coal supply:-

- i. In order to address the issues of coal supplies to power sector, an Inter-Ministerial Sub-Group comprising of representatives from Ministry of Power, Ministry of Coal, Ministry of Railways, Central Electricity Authority (CEA), CIL and Singareni Collieries Company Limited (SCCL) meet regularly to take various operational decisions to enhance supply of coal to thermal power plants as well as for meeting any contingent situations relating to power sector including critical coal stock position in power plants.
- ii. CIL had offered about 5.2 MT of additional coal from its various subsidiaries to States, Central Gencos for lifting through RCR/ Road Mode.
- iii. In addition to Annual Contracted Quantity (ACQ), coal has been offered under RCR mode on 'as is where basis' to build up stock at Power house end.
- iv. The Ministry of Coal has amended Mineral Concession Rules, 1960 with a view to encourage domestic coal production enhancement from captive mines by allowing sale of coal or lignite, on payment of additional amount, by the lessee of a captive mine up to 50 percent of the total coal or lignite produced in a financial year, after meeting the requirement of the end use plant linked with the mine. Earlier this year, the Mines and Minerals (Development & Regulation) Act had been amended to this effect. This is applicable for both the private and public sector captive mines. With this amendment, the Government has paved the way for releasing of additional coal in the market by greater utilization of mining capacities of captive coal and lignite blocks, which were being only partly utilized owing to limited production of coal for meeting their captive needs.

This information was given by the Union Minister of Coal, Mines and Parliamentary Affairs Shri Pralhad Joshi in a written reply in Rajya Sabha today.

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