

Measures to Increase Coal Production & Reduce non-essential Imports

Up to July 2023 Domestic Coal Production increases by 9.2%

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As per the existing import policy, coal is kept under Open General License (OGL) and consumers are free to import coal from the source of their choice as per their contractual agreement on payment of applicable duty. Most of the requirement of coal in the country is met through indigenous production. The focus of the Government is on increasing domestic production of coal and eliminating non-essential import of coal. In the year 2022-23, coal production increased by about 14.77% over the previous year. During the current year till July, 2023, domestic coal production has increased by over 9.2% compared to the same period of last year. The domestic coal production is estimated to increase to more than one Billion Tonne (BT) in the current year 2023-24.

The Central Electricity Authority (CEA) has reported that the receipt of domestic coal has increased to power sector from 569.5 Million Tonnes (MT) during 2019-20 to 731.7 MT during 2022-23 with Compound Annual Growth Rate (CAGR) of 8.6%. Further, during April 2023 – June 2023, coal import by Power Sector has decreased to the level of 14.21MT as compared to 16.36MT during the corresponding period of last year. As per the Daily Coal Report (DCR) of the CEA, the coal stock available as on 5th August, 2023 at the Thermal Power Plant (TPP) is 32.09 MT, which is sufficient for around 16 days.

The steps taken by the Government to make the country self-sufficient in the production of coal are as under:

- i. Regular reviews by Ministry of Coal to expedite the development of coal blocks.
- ii. Enactment of Mines and Minerals (Development and Regulation) Amendment Act, 2021 for enabling captive mines owners (other than atomic minerals) to sell up to 50% of their annual mineral (including coal) production in the open market after meeting the requirement of the end use plant linked with the mine in such manner as may be prescribed by the Central Government on payment of such additional amount.
- iii. Single Window Clearance portal for the coal sector to speed up the operationalization of coal mines.
- iv. Project Monitoring Unit for hand-holding of coal block allottees for obtaining various approvals / clearances for early operationalization of coal mines.
- v. Auction of commercial mining on revenue sharing basis launched in 2020. Under commercial mining scheme, rebate of 50 % on final offer would be allowed for the quantity of coal produced earlier than scheduled date of production. Also, incentives on coal gasification or liquefaction (rebate of 50 % on final offer) have been granted.
- vi. Coal India Limited is adopting Mass Production Technologies (MPT) in its Underground (UG) mines, mainly Continuous Miners (CMs), wherever feasible. Coal India Limited has also envisaged working large numbers of Highwalls (HW) mines in view of the availability of Abandoned / Discontinued mines. Coal India Limited is also planning large capacity UG mines wherever feasible.
- vii. In its Opencast (OC) mines, Coal India Limited already has State-of-the-Art technology in its high capacity Excavators, Dumpers and Surface Miners. Digitization is being tried on pilot scale in 7 of its

mega mines and shall be replicated further.

viii. SCCL has planned to produce 75 MT by 2023-24 from the present level of 67 MT. Regular liaisoning is being undertaken for grounding of new projects. In addition, progress of activities of new projects and operations of existing projects is being regularly monitored.

Ministry of Coal is coordinating with Ministry of Railways to enhance coal evacuation & distribution capabilities. At present, 13 Railway lines are being constructed in collaboration with the Ministry of Railways for expansion of coal distribution capabilities, which are at various stages of construction.

A total of 67 First Mile Connectivity (FMC) Projects with 885 MT capacity being taken up in 3 phases to achieve capacity of 1 BT mechanized handling of coal. In line with the goal of PM Gati Shakti, the Ministry of Coal has undertaken railway projects costing Rs. 26000 Cr to develop multimodal connectivity.

To ensure continuous coal supply to power sector an Inter-Ministerial Sub Group comprising representatives from Ministries of Power, Ministry of Coal, Ministry of Railways, CEA, CIL and SCCL meets 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 to alleviate critical coal stock position in power plants. In addition to this, an Inter-Ministerial Committee (IMC) has been constituted comprising Chairman, Railway Board, Secretary, Ministry of Coal, Secretary, Ministry of Environment, Forest and Climate Change, and Secretary, Ministry of Power to monitor augmentation of coal supply and power generation capacity.

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

BY/RKP

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