



सत्यमेव जयते

# Recommendations of Post Budget Webinar

## “Session on Coal Gasification”

by

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## Speaker Details -

1. Prof. Anjan Ray, Director, Indian Institute of Petroleum
2. Mr Atanu Mukherjee, CEO, MN Dastur & Co.
3. Mr S N Yadav, MD, Talcher Fertilizers Ltd.
4. Mr V R Sharma, MD, JSPL
5. Dr. Nalin Singhal, CMD BHEL
6. Dr. V K Saraswat, Member, NITI Aayog

- ❖ **Recognizing that Coal is abundantly available in India and forms backbone of its energy security.**
- ❖ **Focussing on the reality that All coal bearing States get coal-based royalty revenue and DMF contribution while the local people residing in and around coalfields depend on coal for their livelihood needs and at the same time huge infrastructure is also created around coal economy. Such dependence cannot be suddenly and /or drastically altered or switched off.**

❖ **Considering that** India has 150 BT of coal reserves and more reserves are being added through exploration. Presently annual domestic coal production is ~ 0.75 BT. Coal reserves are likely to last us for over 100 years despite projected enhancement in coal production. County's dependence on coal for its energy security is likely to continue in the foreseeable future.

❖ **Addressing the Climate Change**, India has declared net zero emission by year 2070. It translates to finding cleaner and environmentally sustainable and climate change compatible uses of coal. Producing chemical derivatives from coal is one such feasible option. Coupled with greening efforts and some Carbon Capture, Utilization and Storage, the coal gasification and producing various chemicals is the future of coal which can sustain economies.

❖ Session on Coal Gasification accordingly recommends supporting Gasification through:

1. Availability of Coal for Gasification Projects;
2. Development of Indigenous Gasification technology on commercial scale;
3. Development of indigenous technology for production of methanol from syn gas;
4. Suitable policy provision for Marketing of indigenous product derived from Coal Gasification;
5. Financial assistance to Gasification projects at Initial stage;
6. Taking up of all business models for setting up of projects.

## Brief on each of the recommendations

### 1. Availability of Coal for Gasification Projects:

- MoC has provided 50% rebate in revenue share in commercial coal block auction; made policy for coal linkage for the Gasification projects of CIL and has created a separate window for auction of coal on long term basis (15 years) for both public and private sector.

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- CIL/SCCL would operationalize the policy of separate window for coal gasification by notifying base price for auction and also the quantity of coal that can be auctioned for a particular size of Plant in a time bound manner.
- MoC would also amend the policy of providing coal on linkage basis for gasification on same terms of fertilizer which may require cabinet approval.

## 2. Development of Indigenous Gasification technology on commercial scale:

➤ At present three organizations have developed fluidized bed technology at pilot scale i.e. BHEL, CIMFR and THERMAX. BHEL has developed this technology up to demonstration scale many years back at its Trichi plant. Future research would focus on development of technology from pilot scale to commercial scale and DST CSIR, NITI Aayog and MoC would join together for such work in an integrated manner.



### 3. Development of indigenous technology for production of methanol from syn gas:

- CIMFR and BHEL has successfully developed this technology at pilot scale. There is need to take this effort ahead for development of technology at commercial scale.

#### 4. Suitable policy provision for Marketing of indigenous product derived from Coal Gasification:

- Government had already notified policy of M15 fuel. Ministry of Surface Transport and Highways, MoP&NG and MoC would ensure its implementation which will reduce dependency on imports of crude oil.

## 5. Financial assistance to Gasification projects at Initial stage:

➤ Due to non-availability of proven indigenous technology initial gasification projects may not be viable. Ministry of Finance should consider VGF/Capital subsidy/PLI scheme to assist gasification projects both in public and private sector.

## 6. Taking up of all business models for setting up of projects:

➤ CIL has taken up 4 gasification projects under BOO model. TFL is under construction under LSTK model through Joint venture and NLCIL is also planning under LSTK model. CIL and BHEL is considering development of project with partnership.

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- Suitable business model should be explored by IOCL, SAIL and other PSUs for production of ethanol, methanol as energy fuel and Gas based DRI for steel production.
- With these actions, we are sure that coal gasification target of 100 MT of domestic coal by year 2030 will be achieved creating a new path of sustainable coal utilization.



THANK YOU