

WRITTEN ANSWERS TO UNSTARRED QUESTIONS**Coal rationalisation**

1551. SHRI A.W. RABI BERNARD: Will the Minister of COAL be pleased to state:

(a) whether the global consulting firm KPMG has submitted the draft report on coal rationalisation to Government;

(b) whether coal rationalisation is aimed at linking power plants to the nearest mines which would bring financial benefit of ₹ 700 crore to this sector;

(c) if so, the details thereof;

(d) whether the move would also help in overcoming power shortage which are hampering power generation at many thermal power plants; and

(e) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI PIYUSH GOYAL): (a) Yes, Sir.

(b) and (c) The objective of the exercise of rationalisation is 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 under the given technical constraints. The end result is expected to be minimization of overall transportation cost and overall optimization of materialisation of coal at thermal power plants. However, figures of savings in transportation cost are dynamic and subject to acceptance and implementation of proposal in part or totality by all the participating stakeholders.

(d) and (e) Since the exercise of coal rationalisation is expected to optimize overall materialisation of coal at thermal power plants, one of the benefits would be increased power generation leading to reduction in power shortages.

Shortage of coal to power plants

1552. SHRIMATI SASIKALA PUSHPA: Will the Minister of COAL be pleased to state:

(a) whether there is any shortage in availability of coal for power generation;

(b) if so, the details of demand and supply of coal during the last two years and the current year;

(c) whether the shortage in supply of coal to power plants led to closure of power plants;

(d) if so, the details thereof; and

(e) the action taken by Government thereon?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI PIYUSH GOYAL): (a) During the year 2014-15, the total coal requirement for power generation was assessed as 554 million tonnes (MT) for power plants designed on indigenous coal and 40 million tonnes designed on imported coal. As against domestic coal requirement of 554 million tonnes, availability of domestic coal requirement was ascertained as 473 MT, leaving a shortfall of 81 MT. In order to meet this shortfall, power utilities have been advised to import coal equivalent to 54 MT.

(b) Demand for coal in 2011-12, 2012-13 and 2013-14 was 638.7 MT, 713.4 MT and 739.4 MT, respectively. Demand for the current year 2014-15 is estimated at 787.03 MT. Supply of coal from domestic sources in 2011-12, 2012-13 and 2013-14 was 535.3 MT, 567.1 MT and 571.5 MT, respectively.

(c) and (d) None of the power plants was closed due to shortage of coal. However, some of the power plants operated sub-optimally for some time due to shortage of coal.

During April, 2014 to October, 2014, there has been a growth of 15.4% in coal-based generation over the corresponding period of last year. Coal supply from CIL sources to power utilities in the country has improved. It has been 208.71 MT (Provisional) which is 94% of 223.09 MT, the supply plan target finalized by Ministry of Coal as part of Annual Action Plan for 2014-15 for the period April to October, 2014.

(e) The focus of the Government is on increasing production of coal by facilitating Environment and Forest clearances, pursuing with State Government for help in expediting land acquisition and coordinated effort with Railways for movement of coal. Steps have been taken by Coal India Limited and its subsidiaries to augment coal production which includes capacity addition from new projects and use of mass production technologies.

In order to ensure adequate availability of coal to power utilities, Coal India Limited (CIL) has been impressed upon to enhance production of domestic coal in the country and power utilities have also been advised to enhance import of coal to meet the shortfall in domestic availability of coal.

In addition to above, with a view to monitor coal supplies to Power Utility Sector, an

Inter-Ministerial Sub-Group comprising representatives of Ministry of Power, Ministry of Coal and Ministry of Railways has been constituted. This Sub-Group takes various operational decisions for meeting any contingent situations relating to Power sector including critical coal stock position.

Inter-Ministerial Committee for allocation of cancelled coal blocks

1553. SHRI RANJIB BISWAL: Will the Minister of COAL be pleased to state:

- (a) whether Government has set up a high level Inter-Ministerial Committee for allocation of cancelled coal blocks;
- (b) if so, the details thereof and the terms of reference of the committee;
- (c) whether the committee has submitted its report;
- (d) if so, the details of the recommendations made in the report; and
- (e) if not, by when the said committee is likely to submit its report?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI PIYUSH GOYAL): (a) and (b) Government has constituted an Inter-Ministerial Committee (IMC) under the chairmanship of Additional Secretary (Coal) having members from Ministry of Power, Ministry of Steel, Department of Industrial Policy and Promotion, Department of Economic Affairs and Department of Legal Affairs. The terms of reference (ToR) of the IMC are as under:-

- (i) To advice on the policy issues connected with allocation of 204 coal blocks;
- (ii) To advice on the issues referred by the nominated authority to the Central Government;
- (iii) To interact with the industry stakeholders, industry bodies such as FICCI, CII, ASSOCHAM, Coal Producer Association, Steel Manufacturer Association, Cement Producers Association etc. in order to ascertain their views on the procedure and methodology of auction of coal block.
- (iv) Any other issue referred by the Ministry of Coal in connection with coal block allocation.

(c) to (e) IMC is not required to submit any report. As indicated in the reply to parts (a) and (b) above, IMC is to advise the Central Government on the issues mentioned in its ToR from time to time.