GOVERNMENT OF INDIA
MINISTRY OF COAL
RAJYA SABHA
UNSTARRED QUESTION NO.12
TO BE ANSWERED ON 19.07.2021

Shortage of coal in thermal power stations

12. Shri P. Wilson:

Will the Minister of Coal be pleased to state:

(a) details of quantum of coal demanded by thermal power stations of Tamil Nadu and supplied by Government to them during last three years;

(b) reasons as to why there is no hundred per cent realisation of coal to Tamil Nadu as per agreed terms and reasons for not supplying the same and by when the deficit coal to Tamil Nadu will be cleared;

(c) whether Government has taken any steps to increase domestic production and decrease import of coal, if so, details thereof; and

(d) other steps taken/being taken by Government to bridge gap between demand and supply of coal in future?

ANSWER

MINISTER OF PARLIAMENTARY AFFAIRS, COAL AND MINES

(SHRI PRALHAD JOSHI)

(a): Coal India Limited (CIL) supplies coal to its linked Power Consumers including Tamil Nadu based Power Plants namely TANGEDCO, NTECL Vallur and NTPL Tuticorin which are presently having Fuel Supply Agreement (FSA) with CIL. The responsibility of coal transportation is with the respective coal consumers. The trigger level FSA quantity of the plants of Tamil Nadu for the year 2018-19, 2019-20 and 2020-21 was 27.92 Million Tonnes (MT), 27.24 MT and 25.92 MT respectively. The coal supply to the plants of Tamil Nadu in the year 2018-19, 2019-20 and 2020-21 was 23.25 MT, 16.74 MT and 16.32 MT respectively.

(b): Majority of the power plants of Tamil Nadu have regulated coal intake in the Financial Year (FY) 2020-21 and there was an increase in the outstanding dues of the power plants with the coal companies. As on 30.06.2021, the outstanding dues of Tamil Nadu based power plants with CIL is Rs1311.90 Crore. CIL was holding a pithead coal stock of 99.13 MT as on 01.04.2021 and as such there is no shortage of coal for the power plants including those of Tamil Nadu.

(c): The focus of the Government is on increasing domestic production of coal through allocation of more coal blocks, pursuing with State Government for assistance in land acquisition and coordinated efforts with Railways for movement of coal.

CIL has taken the following steps to achieve the target of augmentation of coal production capacity:

1. Implementing on-going projects in time bound manner to achieve targeted production as per schedule.
2. Introduction of Surface Miners in Open Cast (OC) mines to improve operational efficiency and cater to environmental needs.
3. Introduction of Mass Production Technology in underground coal mines.
4. 15 Projects identified with a Capacity of about 160 MTPA (Million Tonnes per Annum) to be operated by Mine Developer cum Operator mode.
5. Capacity addition through special dispensation in Environment Clearance under clause 7(ii) of Environmental Impact Assessment (EIA) 2006: this is an ongoing process and CIL is enhancing its capacity through efficiency enhancement under the special dispensation of EIA Act.
6. Smaller subsidiaries like Eastern Coalfields Limited (ECL) & Bharat Coking Coal Limited (BCCL) are enhancing their capacity through marginal schemes and OC patches.
7. CIL has taken steps to upgrade the mechanized coal transportation and loading system under 'First Mile Connectivity' projects. The target for completion of all the Phase I projects is by FY 2023-24.
8. CIL has taken initiatives for improvement in productivity by enhancing efficiency of its mines with the introduction of Digitization of operation and introduction of Enterprise Resource Planning (ERP) in two phases.

In addition to increasing domestic coal supply, the following steps have been taken to reduce the import of coal:

1. An Inter - Ministerial Committee (IMC) has been constituted in the Ministry of Coal for the purpose of coal import substitution. The representatives from Ministry of Power, Ministry of Railways, Ministry of Shipping, Ministry of Commerce, Ministry of Steel, Ministry of Micro, Small & Medium Enterprises (MSME), Department for Promotion of Industry & Internal Trade (DPIIT), Central Electricity Authority (CEA), Coal Companies and Ports are members of this IMC. This Committee provides a platform for discussions on a larger forum with the Administrative Ministries so as to guide them to encourage the coal consumers of their respective sector to eliminate imports of coal. On the directions of the IMC, an Import Data System has been developed by Ministry of Coal to enable the Ministry to track the imports of coal.

2. The Annual Contracted Quantity (ACQ) of power plants has been increased upto 100% of the normative requirement, in the cases where the ACQ was reduced to 90% of normative requirement (non-coastal) or where the ACQ was reduced to 70% of normative requirement (coastal power plants). The increase in ACQ would ensure supply of more domestic coal to the power plants.

3. In addition to the above, some other measures like Introduction of Facility of Usance LC (Letter of Credit) payment mechanism to help the consumer avail credit facility from bank, Special Spot auction scheme for the coal importers including the traders, have been introduced to help in curtailing

the imports of coal. With the concerted efforts of various stakeholders, the import of coal for blending purposes by the domestic coal based power plants in the country has reduced by about 56%, from 23.8 MT during 2019-20 to 10.4 MT during 2020-21.

(d): A number of steps have been taken by the Government to increase supply of domestic coal such as:

i. Launch of Commercial Auction: Auction of commercial mining on revenue sharing mechanism from 5 coal bearing states (Jharkhand, MP, Maharashtra, Odisha and Chhattisgarh) was launched on 18.06.2020 by Hon'ble Prime Minister. During this round of auction, 20 coal mines with aggregate peak capacity of 59 MTPA were successfully auctioned. Further, second Tranche of auction for commercial mining was launched by Ministry of Coal on 25.03.2021. In the II Tranche, a total of 67coal mines/blocks are offered.

ii. Engagement of PMU: Project Management Unit (PMU) has been engaged by MoC for handholding of coal block allottees for obtaining various approvals /clearances for early operationalisation of coal mines allocated under CMSP Act, 2015.

iii. Launch of Single Window Clearance: The Union government has launched Single Window Clearance portal for the coal sector to speed up the operationalisation of coal mines. It is an unified platform that facilitates grant of clearances and approvals required for starting a coal mine in India.

iv. The MMDR Act has been amended in March, 2021 which, inter alia, allows all captive mines to sell up to 50% of the minerals produced during the year after meeting the requirement of attached plant.

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