

**GOVERNMENT OF INDIA
MINISTRY OF COAL
RAJYA SABHA
UNSTARRED QUESTION NO.1633
TO BE ANSWERED ON 13.12.2021**

Loss due to coal shortage

1633. SHRI K. SOMAPRASAD:

Will the Minister of Coal be pleased to state:

- (a) whether Government has examined the issues which led to the recent coal shortage in the country, if so, the details thereof;
- (b) whether Government has examined the loss and damage caused as a result of the recent coal shortage in the country;
- (c) if so, the details of economic loss in the power sector and details of coal imported to face the situation; and
- (d) whether Government is likely to boost and intend to bolster an unsustainable expansion of the coal sector, if so, the details thereof?

ANSWER

MINISTER OF PARLIAMENTARY AFFAIRS, COAL AND MINES

(SHRI PRALHAD JOSHI)

(a): There is no shortage of coal in the country. 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 Million Tonnes (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. Coal India Limited (CIL) has dispatched around 64 MT more coal during April - November'21 in comparison to the same period of last year. CIL has dispatched 421.11 MT coal during this period, against 357.13 MT during the same period of last fiscal.

(b) & (c): Coal based generation has increased 16.13% during the period of April to October, 2021 over corresponding period last year. Total energy deficit during the same period was only 0.5%.

As per the current 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 prices on payment of applicable duty. In view of limited domestic production of coking coal, coking coal will continue to be imported for use by the steel sector. Thermal power based on domestic coal may use imported coal up to 10% for blending with domestic coal, where technically feasible, to meet the increased power demand in the country. The coal imported during April to October 2021 by the

thermal power plants was 18.14 MT whereas the coal imported by thermal power plants in the same period of previous year was 26.787 MT. The imported coal based power plants have generated less than the program and this shortfall has been supplemented by use of domestic coal in the thermal power plants.

(d):The following Steps taken to improve coal supplies for meeting increased demand in the country are as follows:

- 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 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.
