

GOVERNMENT OF INDIA
MINISTRY OF POWER
RAJYA SABHA
UNSTARRED QUESTION NO.1593
ANSWERED ON 14.03.2023

COAL IMPORT FOR POWER PLANTS

1593 SHRI AKHILESH PRASAD SINGH:

Will the Minister of **POWER**
be pleased to state:

- (a) whether it is a fact that Government has decided to penalise power plants for not importing coal;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether it is a fact that Government has resolved to end coal imports by the financial year 2023-24;
- (d) if so, the reasons for the change in policy; and
- (e) the details regarding the impact of the imports on the country's forex reserves during a time of a global coal crisis and the rise in prices?

A N S W E R

THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY

(SHRI R.K. SINGH)

(a) to (d) : The electricity demand has increased rapidly. The increase in supply of domestic coal is not commensurate with the coal requirement of the thermal power plants. Need has arisen to import coal for blending purpose. Blending of imported coal by thermal power plants has been going on for past many years since 2009-2010. Accordingly, Ministry of Power vide letter dated 09.01.2023 directed Central, State Gencos and IPPs to take necessary action and immediately plan to import coal through a transparent competitive procurement for blending at the rate of 6% by weight so as to have coal stocks at their power plants for smooth operations till September 2023.

Most of the requirement of coal in the country is met through indigenous production/supply. The focus of the Government is on increasing the domestic production of coal and to eliminate non-essential import of coal in the country. The all India coal production in the year 2021-2022 was 778.19 Million Tonne (MT) as compared to 716.08 MT during same period of last year with a growth of about 8.67%. Further, in the current financial year 2022-2023 (upto February, 2023) the country has produced about 785.24 MT of coal as compared to about 681.98 MT during the same period of last year with a growth of about 15.14%. The following intervention in policies have been made for Import Substitution of coal:

- Annual Contracted Quantity (ACQ) of the power sector increased upto 100% of the normative requirement.
- Coal to be made available by the coal company to meet the full PPA requirement of all the existing linkage holder of power sector irrespective of trigger/ACQ level.
- Supply of domestic coal to power plants is also limited by the logistics capacity of Rail network.

(e) : The price of the imported coal is not comparable with the price of the domestic coal due to difference in calorific value. The pricing of imported coal is linked with International Indices for imported coal, source of origin and factors like ocean freight, insurance etc. which vary with international demand supply scenario. Every generating company imports coal as per its requirements. Cost of fuel including imported coal is passed into generation tariff in accordance with regulations of concerned Electricity Regulatory Commission. Import of coal by thermal power plant is a need based activity and has been going on for last many years.
