

GOVERNMENT OF INDIA
MINISTRY OF POWER
RAJYA SABHA
UNSTARRED QUESTION NO. 3089
ANSWERED ON 28.03.2023

IMPORT OF COAL AT HIGH PRICE

3089 SHRI JAWHAR SIRCAR:

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

- (a) the reason as to why domestic coal could not be stored in the lean months to take care of forecast of peak demand of 230 GW per day this season, instead of importing it at a high price;
- (b) the average high demand expectations of coal per week this summer that cannot do without high import cost; and
- (c) whether, though the import of coal appears fragmented through dozens of units, most of these sources, imports and handling relate to the foreign coal interests and domestic handling capacity of the Adani Group?

A N S W E R

THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY

(SHRI R.K. SINGH)

(a) & (b) : The Thermal Power Plants (TPPs) have been importing coal for blending from 2009 onwards. The imports varied between a peak of 48.8 MT in 2015-16 to 23.8 MT in 2019-20. In 2020, Ministry of Power (MoP) advised the States to reduce imports for blending. As a result, the import declined to 8.1 MT in the year 2021-22.

The coal stocking norms of Central Electricity Authority mandates TPPs to maintain coal stock of 20 to 26 days in non-pithead plants and 12 to 17 days in pithead plants during a year with month-wise variation in number of days, such that power plants have sufficient coal stock to meet the peak demand.

The supply of domestic coal has not been commensurate with the requirement. In view of this, the need arose to import coal for blending purposes. Therefore, Ministry of Power directed Central, State Gencos and IPPs to take necessary action and plan to procure coal through a transparent competitive procurement process for blending at the rate of 6% by weight so as to have adequate coal stocks at their power plants for operations till September, 2023.

The shortfall between daily coal consumption and daily arrival of domestic coal ranged from 2.21 Lakh Tonnes to 0.5 Lakh Tonnes between the months of April, 2022 and January, 2023. If there would have been no import for blending purpose, the coal stock available at DCB plants would have reduced to zero by September, 2022. The average depletion was about 1.6 lakh tonnes/day during first half of FY 2022-23. Subsequently, with the coal stock showing some sign of recovery, MoP advised GENCOs on 01.08.2022 to take a decision regarding blending at their level taking into account overall supply and stock position (need based blending) with continuous monitoring of stock level.

The average demand is expected in the range of 210-220 GW and maximum of about 230 GW during this summer, which can be met with above arrangements.

(c) : Import of coal is under Open General License (OGL) and TPPs are free to import coal to meet their coal requirements. Every GENCO-Central/State/IPP procures coal themselves, as per their requirements, through a transparent competitive bidding process.
