

GOVERNMENT OF INDIA
MINISTRY OF POWER
RAJYA SABHA
UNSTARRED QUESTION NO.640
ANSWERED ON 07.02.2023

REDUCTION OF IMPORTS

**640. SHRI PRAMOD TIWARI:
SMT. RAJANI ASHOKRAO PATIL:**

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

- (a) whether it is a fact that the Ministry of Coal has announced a reduction of imports to zero, while the Ministry of Power has made imports compulsory;
- (b) if so, reasons for the discrepancy;
- (c) whether it is a fact that the Ministry has passed a directive to blend 10 per cent imported coal to circumvent the domestic coal shortage that has increased the need to import dry fuel;
- (d) whether Government is aware that the price of coal in the global market has risen to five times the Coal India Limited (CIL) notified coal prices; and
- (e) if so, the details regarding the expenses incurred, on the imports?

A N S W E R

THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY

(SHRI R.K. SINGH)

(a) to (c) : The power plants designed for utilizing high Gross Calorific Value (GCV) non-coking coal and Cement, Sponge Iron, Aluminum customers are utilizing high ranked low ash coal. The coal requirement for such category of consumers cannot be substituted by domestic coal. Thus, import of coal cannot be reduced to zero. In addition, thermal power plants have been importing coal for blending purpose from 2009 onwards. During 2022-23 (April, 2022 to January, 2023), Coal India Limited (CIL) despatched 485.99 Million Tonnes (MT) (provisional) coal to power sector as compared to 440.05 MT during same period last year, registering a growth of about 10%. However, with the increase in electricity demand, the increase in supply of coal to the power plants is not commensurate with the domestic coal requirement. The gap between daily coal consumption and daily arrival of domestic coal ranged from 2.65 Lakh Tonnes to 0.5 Lakh Tonnes between the month of September, 2022 and January, 2023. If the imports for blending had not been made, the coal stocks in thermal power plants would have reduced to zero in September, 2022. Therefore, Ministry of Power advised Central, State Gencos and Independent Power Producers (IPPs) on 09.01.2023 to import coal through a transparent competitive procurement for blending so as to have sufficient coal stocks at their power plants for smooth operations till September, 2023.

(d) & (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 requirement.
