

GOVERNMENT OF INDIA
MINISTRY OF POWER

RAJYA SABHA
UNSTARRED QUESTION NO.1585
ANSWERED ON 05.08.2024

COAL-BASED THERMAL PLANTS

1585 SHRI P. WILSON:

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

- (a) whether Government has invoked Section 11 of the Electricity Act, 2003 to issue directions for imported coal based generating companies to operate at full capacity to meet the increasing demand;
- (b) if so, the reasons for not giving same direction to domestic coal-based plants, in order to strengthen and incentivize them, and details thereof; and
- (c) the details of current progress of green energy corridors and inter-State transmission scheme in the State of Tamil Nadu?

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a) & (b) : Post Covid, the power demand increased rapidly, while at the same time, the domestic coal supply was not commensurate with the demand. The Imported Coal Based (ICB) generating stations were not generating to their full capacity due to increased prices of Imported Coal. Similarly the generation from Domestic Coal Based Generating stations was not optimum due to less availability of domestic coal. In light of the emergent circumstances, to ensure optimum utilization of the coal based generation capacity, directions were issued under section 11 of the Electricity Act, 2003, from time to time. These directions were issued by the Government, in larger public interest, to facilitate both domestic and imported coal based generating companies to generate at the full capacity to meet the growing demand of electricity and ensuring reliable power supply to consumers.

The directions under Section 11 of the Electricity Act, 2003 to Imported Coal Based (ICB) generating companies, were initially issued on 5th May, 2022, which were applicable till 31st December, 2022. Subsequently, the directions were again issued on 20th February, 2023, which are in force till 15th October, 2024. These directions have provisions related to mechanism for suitable compensation due to increased coal prices and timely payment to the generators, to enable maximum generation.

Due to surge in power demand and mismatch in demand and supply of domestic coal, Domestic Coal Based (DCB) Generating companies were advised for blending of imported coal. To provide a mechanism for compensation on account of increase in cost of generation due to blending and timely payment to the generators, directions were issued under Section 11 of the Electricity Act, 2003 to Domestic Coal Based (DCB) Generating companies. Initially such directions had been issued on 26th May, 2022, which were applicable till 11th August, 2022. Subsequently, directions were again issued on 21st March, 2023, which were applicable till 30th September, 2023.

(c): All transmission projects under Green Energy Corridor (GEC) Phase-I, in the state of Tamil Nadu have been completed. Further, transmission projects under GEC Phase-II in the state of Tamil Nadu are under various stages of award. There are no Inter-state transmission projects under construction in the State of Tamil Nadu.
