GOVERNMENT OF INDIA
MINISTRY OF COAL
RAJYA SABHA
UNSTARRED QUESTION No. 1475
TO BE ANSWERED ON 09.12.2024

Rise in imports of coal

1475. SHRI YERRAM VENKATA SUBBA REDDY:

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

(a) the manner in which Government looks at the 8 per cent rise in import of coal in the first half of the current fiscal;
(b) whether does it not mean that such kind of increase in coal imports will extend the objective of the country achieving Net Zero Emissions as promised in COP26 by Government;
(c) whether this increase in imports is in spite of the fact that country's domestic coal production rose by 6 per cent in the first half of the current fiscal year; and
(d) the efforts being made by Government to reduce imports and use of coal in the country?

ANSWER

MINISTER OF COAL AND MINES
(SHRI G. KISHAN REDDY)

(a): The total import of coal during the first half of current year i.e. April 24-Sept.24 was 129.52 MT against 127.78 MT during the same period of last year showing growth of 1.36%.

(b): About 20-25% of the coal demand in the country is met from import. Import of coal mainly consists of essential import like coking coal and higher non-coking grade coal as their domestic production is limited due to either scarce reserves or non-availability.

The focus of the efforts made by the Government is on increasing the domestic production of coal and to eliminate non-essential import of coal in the country. Most of the requirement of coal in the country is met through indigenous production. 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.

Through Panchamrit Declaration during COP26, India has set timeline for attaining non-fossil energy capacity of 500 GW by 2030 and also to meet 50% of its energy requirement from renewable energy by 2030. In line with 'Glasgow Climate Pact', while India has committed to clean energy; the pace of transition to cleaner energy sources in India is to be viewed in the light of national circumstances, and principle of common but differentiated responsibilities and respective capabilities, the transfer of climate finance and low-cost climate technologies.

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Being an affordable source of energy with substantial reserve, coal will remain a major source of energy in the foreseeable future. Thus, as of now there is no scenario of transition away from coal affecting those dependent on coal.

(c): Domestic coal production is expected to grow by 6-7% annually in next few years to reach about 1.5 billion tonne in 2029-30. In the current year 2024-25, during April 2024 to Sept. 2024 coal production was 452.94 MT against 428.37 MT during the same period of last year showing growth of 5.7%.

(d): Government has initiated several steps to ramp up domestic coal production in the country in order to achieve self-reliance and reduce of coal import. Some of the major initiatives undertaken include Single Window Clearance, amendment of Mines and Minerals (Development and Regulation) Act, 1957 to allow captive mines to sell up to 50% of their annual production after meeting the requirement of the end use plants, production through MDO mode, increasing use of mass production technologies, new projects and expansion of existing projects, and auction of coal blocks to private companies/PSUs for commercial mining. 100% Foreign Direct Investment has also been allowed for commercial mining.

(II) In addition to above, coal companies have also taken the following steps to increase the domestic coal production:

i. Coal India Limited (CIL) has adopted number of measures to increase coal production. In its Underground (UG) mines, CIL is adopting Mass Production Technologies (MPT), mainly with Continuous Miners (CMs), wherever feasible. CIL has also planned Highwalls (HW) mines in view of the availability of Abandoned/ Discontinued mines. CIL is also planning large capacity UG mines wherever feasible. In its Opencast (OC) mines, CIL already has State-of-the- Art technology in its high-capacity Excavators, Dumpers and Surface Miners.
ii. Regular liaison is being undertaken by Singareni Collieries Company Limited (SCCL) for grounding of new projects and operation of existing projects. SCCL has initiated action for developing infrastructure for evacuation of coal like CHPs, Crushers, Mobile Crushers, Pre-weigh-bins etc.

(III) Following measures have been taken by the Government to substitute coal imports:

i. The Annual Contracted Quantity (ACQ) has been increased upto 100% of the normative requirement, in the cases where the ACQ was either reduced to 90% of normative requirement (non-coastal) or where the ACQ was reduced to 70% of normative requirement (coastal power plants). Increase in the ACQ would result in more domestic coal supplies, thereby, reducing the import dependency.

ii. Under the provisions of Para B (viii) (a) of SHAKTI Policy, coal linkage has been provided for short term for sale of power generated through that linkage through Power Exchanges or in short term through a transparent bidding process through DEEP portal. In addition, with the amendment to the NRS linkage auction policy introduced in 2020, the tenure of coking coal linkages in the NRS linkage auction has been revised for a period upto 30 years. The coal offered for short term to the Power Plants under the amended provisions of SHAKTI Policy as well as increase in the tenure of the coking coal linkages in the Non-Regulated Sector linkage auction for a period upto 30 years is expected to have a positive impact towards coal imports substitution.

iii. Government has decided in 2022 that the coal to meet the full PPA requirement of all the existing linkage holders of Power Sector shall be made available by the coal companies irrespective of the trigger level and Annual Contracted Quantity levels. The decision of the Government of meeting the full PPA requirement of the linkage holders of the Power Sector shall reduce the dependence on the imports.

iv. An Inter - Ministerial Committee (IMC) has been constituted in the Ministry of Coal on 29.05.2020 for the purpose of coal import substitution. The Representatives from Ministry of Power, Ministry of Railways, Ministry of Shipping, Ministry of Commerce, Ministry of Steel, Ministry of Mines, Ministry of Micro, Small & Medium Enterprises (MSME), Department for Promotion of Industry & Internal Trade (DPIIT), Central Electricity Authority (CEA), Coal Companies and Ports are members of this IMC. 11 meetings of the IMC have been held so far. On the directions of the IMC, an Import Data System has been developed by Ministry of Coal to enable the Ministry to track the imports of coal. Efforts are taken to ensure more domestic supplies of coal. Thus, the entire substitutable imported coal should be met by the country and no import other than very essential should happen. A strategy paper on coal import substitution has been launched by Ministry of Coal focusing on future roadmap on coal imports substitution.

v. Government has approved creation of a new sub-sector under the Non-Regulated Sector (NRS) linkage auctions with the nomenclature of 'Steel using Coking coal through Washery Developer and Operator (WDO) route'. Creation of the new sub-sector with the assurance for long-term coal linkage to the Steel Sector from the identified mines for the entire term of the contract period shall increase the availability of washed coking coal in the country and enhanced domestic coking coal consumption by the Steel Industry in the country, thereby reducing the coking coal imports.

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