

**GOVERNMENT OF INDIA
MINISTRY OF COAL
RAJYA SABHA
UNSTARRED QUESTION No. 2272
TO BE ANSWERED ON 16.12.2024**

Demand and supply of coal

2272. SHRI C.VE. SHANMUGAM:

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

- (a) whether it is a fact that there is a huge gap between demand and supply of coal in the country;
- (b) if so, the details thereof along with the share of energy produced through coal vis-à-vis the country's total energy needs;
- (c) whether the demand for coal has increased to meet the energy requirement of the country; and
- (d) if so, the details thereof and the reasons for not increasing the domestic coal production, as increasing the production can reduce the dependence on imported coal and save foreign exchange?

ANSWER

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

(a)&(b): Most of the demand of coal in the country is met through indigenous production / supply. The actual demand for coal increased to 1237.54 Million tonnes (MT) in 2023-24 from 1115.04 MT in 2022-23. As against the increased coal demand, domestic coal production has also increased. In 2023-24, the domestic coal production increased by 11.71% to reach 997.83 MT from 893.19 MT in 2022-23. The total demand and total supply of coal during the last three years are given below:

(in Million Tonnes)

	2021-22	2022-23	2023-24	2024-25 upto Nov.2024
Total Demand/ Supply	1027.22	1115.04	1237.54	786.64
Domestic Supply	819.21	877.37	973.01	657.12
Import	208.63	237.67	264.53	129.52*

* import data pertains to April - September, 2024

According to the Central Electricity Authority (CEA), the actual electricity generation from coal-based power plants, total generation and contribution of coal-based generation in total generation in the country during the last three years and the current year 2024-25 (April to November, 2024) are given as under: -

Year	Generation (Billion Units)		% share
	Coal Based Generation	Total Generation	
2021-22	1041.49	1320.95	78.84
2022-23	1145.91	1420.91	80.65
2023-24	1260.90	1513.26	83.32
2024-25 upto Nov. 2024 (Tentative)	860.76	1069.29	83.65

(c): The actual demand for coal increased to 1237.54 MT in 2023-24 from 1115.04 MT in 2022-23. For the current year 2024-25, coal demand has been assessed by the Ministry to reach 1376.56 MT. As against the increased coal demand, domestic coal production has also increased. In 2023-24, the domestic coal production increased by 11.71% to reach 997.83 MT from 893.19 MT in 2022-23.

(d): In order to meet future demand of coal through indigenous sources and to reduce non-essential import of coal, domestic coal production is expected to grow by 6-7% annually in next few years to reach about 1.5 billion tonnes by 2029-30.

(II) Further, the 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.

(III) 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.

(IV) 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.
