

GOVERNMENT OF INDIA
MINISTRY OF POWER

RAJYA SABHA
UNSTARRED QUESTION NO.1277
ANSWERED ON 10.03.2025

PENALTY ON POWER PLANTS FOR NOT IMPORTING COAL

1277 SHRI AKHILESH PRASAD SINGH:

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

- (a) whether it is a fact that Government has decided to penalise power plants for not importing coal;
- (b) if so, the details and reasons therefor;
- (c) whether it is also a fact that Government resolved to end coal imports in the Financial Year 2023-24 (April-March);
- (d) if so, the reasons for the change in resolve; and
- (e) the details regarding the impact of the imports on the country's forex reserves?

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a) to (e): As per current import policy, coal is kept under Open General License (OGL) and consumers are free to import coal as per their preference and source based on their commercial prudence. Every GENCO-Central/State/IPP procures coal themselves, as per their requirements through a transparent competitive bidding process.

Domestic Coal Based (DCB) plants import coal for blending with domestic coal in order to meet requirement of the quantity/quality, whereas Imported Coal Based (ICB) plants import coal for their fuel requirement.

Keeping in view the coal stock available, requirement and anticipated availability of domestic coal, Ministry of Power from time-to-time issues advisory to DCB plants for import of coal so that these plants would generate maximum electricity to meet the requirement of power.

In the light of continuous high gap in receipt of domestic coal and also taking into account reduced Hydro generation on account of variable monsoon rainfall, GENCOs were advised to blend imported coal @6% (weight) till 31.03.2024. Thereafter, keeping in view the power demand during the summer months and to ensure uninterrupted power supply across the country, Ministry of Power on 04.03.2024 further extended the advisory till June 2024.

The Ministry of Power reviewed the coal supply position to GENCOs and extended the advisory on 27.06.2024 with a reduced blending @ 4% till October 15, 2024. Finally, due to improvement in coal stocks and sustained supplies of domestic coal, advisory to GENCOs for import of coal for blending purpose was not extended beyond October 15, 2024

There was reduction in import of non-coking coal during 2023-24 resulting in Forex saving of US\$ 7.34 billion as compared to corresponding period of previous financial year. Similarly, Forex saving of US\$ 2.45 billion has been reported from April to November, 2024 as compared to corresponding period 2023-24.
