

GOVERNMENT OF INDIA
MINISTRY OF COAL

LOK SABHA
STARRED QUESTION NO. *160
TO BE ANSWERED ON 13/12/2023

Rationalization of Coal Linkages

*160. SHRI SUNIL KUMAR MONDAL:

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

- (a) whether adequate steps have been taken to reduce production cost and also import of coal during the last two years and the current year;
- (b) whether steps have been taken by the Government for rationalization of coal linkages;
- (c) if so, the details thereof, State/UT-wise along with the future initiatives in this regard; and
- (d) if not, the reasons therefor?

ANSWER

MINISTER OF PARLIAMENTARY AFFAIRS, COAL AND MINES
(SHRI PRALHAD JOSHI)

(a) to (d): A statement is laid on the table of the House.

Statement in Reply to the Lok Sabha Starred Question No. *160 to be answered on 13.12.2023 regarding Rationalization of Coal Linkages.

(a): Yes Sir, Coal PSUs are in constant endeavour to reduce production cost by improving in efficiency in their operations through adoption of mechanisation of its mines. In underground mines, Mass Production Technologies (MPT), mainly with Continuous Miners (CMs) and Highwalls (HW) mines are adopted. In opencast mines, State-of-the-Art technologies are adopted in high capacity Excavators, Dumpers and Surface Miners. Digital transformation technology has also been introduced on pilot scale in a few mega mines. Further, CIL has also adopted Mine Developer cum Operator (MDO) and Long Term outsourcing models for mines. CIL is also operationalizing abandoned/discontinued mines on Revenue sharing model. CIL is taking all efforts to increase its domestic production as well as offtake.

An increase in domestic production of coal would lead to reduction in dependence on imported coal by the industries. To make more domestic coal available and reduce import of coal, the following steps have been taken:

1. Auction of commercial coal blocks on revenue share basis
2. Operationalisation of new mines and expansion of existing coal mines
3. Regular monitoring with relevant states and district authorities
4. Issuance of New Coal Linkage for New Power Plants.
5. Thrust is being made to offer large quantities of domestic coal through various format of e-Auctions so that the consumers are not inclined towards import of coal.
6. Increased Supplies
7. Flexibility has been given to NRS Linkage consumers for change of mode from Rail to Road in view of high pendency of rake supply.

The Import of Coal during last two years and current years is given below:

(Quantity in Million Tonne & Value in Million Rs. and \$)									
Year	Coking Coal			Non Coking Coal			Total Coal		
	Quantity	Value Rs.	Value (\$)	Quantity	Value Rs.	Value (\$)	Quantity	Value Rs.	Value (\$)
2021-22	57.12	1027908.35	13757.08	151.50	1259932.89	16871.79	208.63	2287841.24	30628.87
2022-23	56.05	1538399.74	19285.76	181.62	2297444.02	28749.17	237.67	3835843.76	48034.94
2023-Sep-23	29.39	628405.11	7628.80	95.82	866782.03	10520.49	125.21	1495187.14	18149.29
2022-Sep-22	28.71	915212.28	11706.83	103.16	1397748.51	17809.11	131.86	2312960.79	29515.95
Growth %	2.40	-31.34	-34.83	-7.12	-37.99	-40.93	-5.04	-35.36	-38.51

Source: DGCI & S, Kolkata

The CAGR of coal production from 2008-09 to 2013-14 was only 2.8%. This has now taken a jump to 5.2 % from 2014-15 till 2022-23. Had the production continued at 2.8%, it would have been around 725.39 MT. Presently the production during 2022-23 has been 893.19 MT. The difference of 167.80 MT would have been imported.

(b), (c) and (d): Rationalization of coal linkages is a policy initiative of Ministry of Coal in order to reduce the distance in transportation of coal from the coal mines to the consumer. Coal linkage rationalization in power sector has resulted in decrease in transportation cost from the mines to the power plants leading to more efficient coal-based power generation. The exercise helps in reducing the load on the transportation infrastructure, easing the evacuation constraints, reduction in landed cost of coal and reduction in the cost of power.

The linkage rationalization for State/Central PSUs was implemented initially, based on the recommendation of Inter-Ministerial Task Force (IMTF) which was constituted in June, 2014. The linkage rationalization for State / Central PSUs was implemented initially, based on IMTF recommendation.

Thereafter, Coal India Limited (CIL) had rationalized coal company-wise linked quantity based on the request of State / Central Gencos and with a view to optimize the transportation cost.

Another IMTF was constituted in July, 2017 to rationalize the linkages of the Independent Power Producers (IPPs). The methodology for rationalization of coal for IPPs/Private sector plants was also issued on 15.05.2018. Under this policy, three rounds of linkage rationalization have been conducted for State & Central Gencos & IPPs.

Till date, rationalization for a quantity of about 86 Million Tonnes (MT) has been executed through FSA amendment. Keeping in view the benefits of rationalization, Coal India Limited has been requested to commence further rounds of linkage rationalization in terms of the methodology dated 15.05.2018 on a regular basis.

An IMTF was also constituted in October, 2018 to examine the possibility of further rationalization of coal linkages, including Swapping of imported coal being transported to hinterland with domestic coal transported near coastal areas. The methodology was accepted by the Government and issued on 05.06.2020, which covers the Power as well as Non-Regulated Sector (NRS) and coal swapping with imported coal has also been permitted.

The State/UT wise details of the rationalization implemented is given in **Appendix**.

The State/UT wise details of the rationalization implemented -

State/UT	Name of the Plant	Earlier Source	Rationalized Sources
Andhra Pradesh	Simhadri	MCL	ECL
Assam	Bongaigaon	NEC	ECL
Delhi	IGTPP	MCL	NCL
Gujarat	GANDHINAGAR	SECL	WCL
	Ukai	SECL	WCL
	WANAKBORI	SECL	WCL
Haryana	APCPL, Jhajjar	MCL	CCL
	HPGCL	MCL/ECL	CCL
	Mahatma Gandhi TPP Jhajjar	ECL	NCL
	PANIPAT	NCL/WCL	CCL
	RG TPS, Hissar	MCL	CCL
Jharkhand	KODERMA	ECL	BCCL
		MCL	CCL
Karnataka	Raichur	MCL/ WCL	WCL/ MCL
Madhya Pradesh	Bina TPP	CCL	NCL
	MPPGCL	SECL/WCL	WCL/SECL
	Satputa TPS	SECL	WCL
	Seoni TPP	MCL	NCL
	Shree Singhajee St-I	SECL	NCL
Maharashtra	Bhusawal	MCL	SECL
	Chandrapur	SECL	MCL
	KHAPERKHEDA	MCL	SECL/WCL
	MAHAGENCO	MCL	WCL
	MOUDA	MCL	SECL
			WCL
	PARLI	MCL	WCL
Punjab	Rajpura TPP Nabha Power	SECL	NCL
	Ropar, PSPCL	BCCL	CCL
	Talwandi Sabo Power Limited	MCL	NCL/SECL
Rajasthan	KOTA	SECL	NCL
	SURATGARH	NCL	SECL
Tamil Nadu	TANGEDCO	MCL	WCL/CCL
	Tuticorin	CCL	MCL
Telangana	KOTHAGUDAM	MCL	SCCL
	RAMAGUNDAM	MCL/SECL	SCCL
Uttar Pradesh	Bajaj Energy Limited	CCL	NCL
	Meja Urja Power Nigam Ltd	SECL	NCL/CCL
	UPRVUNL	BCCL	NCL/SECL
West Bengal	BAKRESWAR	MCL	BCCL
	DPL	MCL	BCCL
	DSTPS	CCL	MCL/ECL
	Durgapur Projects Ltd	MCL	ECL
	Farakka	NEC	ECL
	KOLAGHAT	MCL	BCCL
	MEJIA	MCL	ECL
	WBPDC	BCCL	CCL
		MCL	ECL/CCL