

**GOVERNMENT OF INDIA
MINISTRY OF POWER
LOK SABHA
UNSTARRED QUESTION NO.1879
ANSWERED ON 14.12.2023**

RISE IN COST OF POWER GENERATION DUE TO FUEL IMPORT

1879. SHRI Y.S. AVINASH REDDY:

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

- (a) whether the Ministry of Power has directed all Domestic Coal-Based (DCB) power generation companies to mandatorily import and blend four percent coal through the open-bidding process till March 31, 2024, as the supply of coal was not commensurate with the requirement;**
- (b) if so, the reasons for taking such a decision particularly when the Ministry of Coal has stated that the country has adequate coal to meet increasing energy demand;**
- (c) whether the cost per unit of power generation has risen from Rs. 2 to Rs. 7 to 8 due to import of fuel/coal; and**
- (d) if so, the details and the present status thereof?**

A N S W E R

THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY

(SHRI R.K. SINGH)

(a) to (d) : Coal, whether domestic or imported, is procured by Thermal Power Plants separately and as per their requirements. There are some plants based exclusively on imported coal. Thermal Power Plants have been importing coal for blending purpose from 2009 onwards. Detail is at Annexure.

With increase in electricity demand from July'21 onwards the consumption of coal in Thermal Power Plants increased and the supply of domestic coal on a daily basis was less than consumption which resulted in depletion of coal stock and stocks at Plants end came down from 28.7 Million Tonnes (MT) as on 30.06.2021 to about 8.1 Million Tonnes (MT) as on 30.09.2021. Therefore, in December 2021, Ministry of Power advised State GENCOs and IPPs to import @4% and Central GENCOs @10% of their requirements during 2022-23.

.....2.

During April-Sep' 2022 (Q1, Q2 of FY 2022-23) the receipt of domestic coal was about 355 MT against the consumption of 385 MT (Dom: 359 MT +Imp: 1.4 x 18.9 MT) – a shortage of 30 million tonne. The gap between supply of domestic coal and consumption of coal was about 1.6 lakh tonnes/ day during this period. On the improvement of the situation, Ministry of Power advised GENCOs on 01.08.2022 to take decision regarding blending at their level taking into account the domestic coal supply and stock position (need based blending) with continuous monitoring of stock levels.

The gap between daily coal consumption and daily arrival of domestic coal ranged between 2.65 Lakh Tonnes to 0.5 Lakh Tonnes between the months of September'2022 and January'2023. If the imports for blending had not been made, the coal stocks in thermal power plants would have reduced to ZERO in September'2022 and would have continued so, leading to widespread power cuts and blackouts. Therefore, Ministry of Power advised Central, State Gencos and Independent Power Producers (IPPs) on 09.01.2023 to import coal @ 6% by weight so as to have sufficient coal stocks at their power plants for smooth operations till September' 2023.

The gap between daily coal consumption and daily arrival of domestic coal increased from 1.30 lakh tonnes per day to 2.80 lakh tonnes per day between the month of June' 2023 and September' 2023. Therefore, Ministry of Power advised central & state Gencos and IPPs on 01.09.2023 and 25.10.2023 to import coal through a transparent competitive procurement process for blending.

Average power purchase cost increased by 71 Paisa only between FY 22 and FY 23. This is because of increase in various costs – including increase in transmission and distribution costs.

ANNEXURE**ANNEXURE REFERRED TO IN REPLY TO PARTS (a) TO (d) OF UNSTARRED QUESTION NO. 1879 ANSWERED IN THE LOK SABHA ON 14.12.2023**

Import of coal by power sector			
Fig in Million Tonnes			
Year	Import for Blending	Import by Imported coal based plants	Total Import
2009-10	18.8	4.4	23.2
2010-11	21.1	9.4	30.5
2011-12	27.3	17.6	44.9
2012-13	31.1	31.6	62.7
2013-14	38.6	40.9	79.5
2014-15	47.6	42.5	90.1
2015-16	37.1	44.0	81.1
2016-17	19.8	46.3	66.1
2017-18	17.0	39.4	56.4
2018-19	21.4	40.3	61.7
2019-20	23.8	45.5	69.3
2020-21	10.4	35.1	45.5
2021-22	8.1	18.9	27.0
2022-23	35.1	20.5	55.6
2023-24 (Apr-Oct)	13.6	21.7	35.3
