

**GOVERNMENT OF INDIA
MINISTRY OF POWER
LOK SABHA
UNSTARRED QUESTION NO.1939
ANSWERED ON 14.12.2023**

AVAILABILITY OF COAL STOCK

**†1939. SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH:
SHRI DINESH CHANDRA YADAV:**

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

- (a) whether the Union Government has made mandatory for the State Governments to keep some part of the imported coal to ensure the stock availability of coal for operation of their power plants;**
- (b) if so, the details thereof;**
- (c) whether the State Governments have to purchase coal even at higher prices through private suppliers to maintain the said arrangement;**
- (d) if so, whether the State Governments are facing more financial burden for the same; and**
- (e) if so, the details thereof?**

A N S W E R

THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY

(SHRI R.K. SINGH)

(a) to (e) : The coal stocking norms of Central Electricity Authority mandate Thermal Power Plants to maintain coal stock of 20 to 26 days in non-pithead plants and 12 to 17 days in pithead plants based on their requirements of 85% Plant Load factor(PLF) with seasonal variation in supply/consumption pattern.

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.

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 tonnes. 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.

The cost of generation of electricity is dependent upon share of imported coal used and price of imported coal. The pricing of imported coal is linked with international indices for imported coal, sources of origin, other factors like ocean freight, insurance etc which is purely dynamic and varies with international conditions. Also, imported coal has high calorific value compared to domestic coal. Cost of fuel including that of imported coal is passed into generation tariff in accordance with regulations laid down by appropriate Electricity Regulatory Commission. The generation tariff becomes input for determination of retail consumer tariff, which is again approved by the respective Regulatory Commission before it is passed on to the consumers. The regulator lays down norms for various input costs and does not allow costs in excess of the norms to be passed through.

ANNEXURE**ANNEXURE REFERRED TO IN REPLY TO PARTS (a) TO (e) OF UNSTARRED QUESTION NO. 1939 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 |
