2390. SHRI RAKESH SINGH:

Will the Minister of Coal be pleased to state:

(a) whether the Government has amended the law for coal block auction in the country and if so, the details thereof;
(b) whether the arrangements for supply of coal to the private sector and electricity sector has been made at par;
(c) if so, the details thereof;
(d) whether the demand of domestic coal would increase as a result of it; and
(e) whether the coal likely to be made available to the electricity sector through e-auction of coal which would be costlier in comparison to the existing procedure and if so, the details thereof?

ANSWER

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

(a): Amendments have been made in the Coal Mines (Special Provisions) Act, 2015 [CMSP Act] and the Mines and Minerals (Development and Regulation) Act, 1957 [MMDR Act] through Mineral Laws Amendment Act, 2020 enacted on 13.03.2020 to ensure wider participation and competition in auction of coal mines. The amendments in the Acts would enable the following:

- Allocation of coal blocks for composite prospecting license-cum-mining lease which will help in increasing of the inventory of coal/lignite blocks for allocation.
- Repetitive and redundant provision requiring previous approval of Central government even in cases where the allocation or reservation of coal/lignite block has been made by the Central Govt. itself has been done away with.
- Provided flexibility to the Central Govt. in deciding the end use of Schedule II and III coal mines under the CMSP Act.
- Companies which do not possess any prior coal mining experience in India can now participate in auction of coal blocks.

(b) & (c): Presently linkages are granted to Power plants according to the various provisions of SHAKTI policy dated 22.05.2017 and amendment dated 25.03.2019 issued by Ministry of Coal.
The non-power sector consumers are presently awarded linkages through Non-regulated Sector linkage auction policy dated 15.02.2016 issued by Ministry of Coal.

Beside the above avenues, the power and non-power sector consumers can procure coal under e-auctions, conducted by coal companies, as per their requirement.

(d): Demand of domestic coal is dependent upon various factors like position of economy, international coal price & sea freight, seasonal variation etc.

(e): Power sector consumers are primarily provided coal through linkages to the extent of 100% normative requirement against power purchase agreements on the price based on notified price for power sector. For any additional coal requirement, the power plants may source their coal through e-auction.

Moreover, due to the high price of International Coal, the domestic as well as import-based power plants imported less amount of coal during the current Fiscal resulting in less generation from import-based power plants. On the other hand, domestic coal-based power plants generated as per their programme with a growth of 16% over last year same period.

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