

**GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION NO. 2529
TO BE ANSWERED ON 16.03.2022**

Problem faced by Coal Sector

2529. MS. MIMI CHAKRABORTY:

Will the Minister of Coal be pleased to state:

- (a) the problems faced by the coal sector in India;
- (b) whether it is a fact that the quality of domestic coal is deteriorating gradually and becoming unfit for power generation therefor; and
- (c) if so, the steps taken by the Government to overcome the difficulties faced due to low coal supply for generating electricity recently; and
- (d) the details of export and quality of coal during the last five years used for generation of power energy in the country?

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

(a): The major challenges of coal sector in India are as under:

- i. Un-seasonal and extended Rainfall in the coal bearing areas.
- ii. Surge in Covid-19 cases/ State Lockdown during the second and third wave of Covid pandemic in India.
- iii. Non-Payment of commensurate Coal value along with huge outstanding dues by Power Sector consumers.
- iv. Frequent Labour/ Industrial Relation (IR) issues in the Coal fields.
- v. Land acquisition issues.

(b): The grade conformation of the coal supplies to power utilities by CIL and weighted average Gross Calorific Value (GCV) of coal during the last two years has improved as appended below. Besides, Plant Load Factor (PLF) of power plants has also increased during this period.

Year	Grade conformity in terms of dispatched coal to power utilities (%)	Weighted average GCV of coal dispatched from CIL Subsidiaries to power utilities (GCV in Kcal/Kg)	Plant Load Factor (PLF) of Thermal power plants as per Ministry of Power website	Specific coal consumption (SPCC)
2020-21	62.8	4115	53.37	0.65
2021-22 (Till February,2022)	65.4	4226	57.47	0.65

(c): The following action has been taken by Government to further enhance the production and supply of coal in the country:

- i. **Commercial Auction of coal on revenue share mechanism:** Auction of commercial mining on Revenue Sharing Mechanism was launched on 18.06.2020 by Hon'ble Prime Minister. Under this scheme, total of 2 tranches have been successfully completed and third Tranche is currently under process. From these two tranches total of 28 coal mines have been successfully auctioned for which Vesting order have in signed for 27 coal mines.
- ii. **Allow sale of excess coal production:** The Ministry of Coal has amended Mineral Concession Rules, 1960 with a view to allowing sale of coal or lignite, on payment of additional amount, by the lessee of a captive mine up to 50 percent of the total coal or lignite produced in a financial year, after meeting the requirement of the end use plant linked with the mine. The Mines and Minerals (Development & Regulation) Act had been amended in 2021. This is applicable for both the private and public sector captive mines. With this amendment, the Government has paved the way for releasing of additional coal in the market by greater utilization of mining capacities of captive coal and lignite blocks, which were being only partly utilized owing to limited production of coal for meeting their captive needs.
- iii. **Rolling auction:** In order to expedite the process for conducting auction and to carryout more rounds of auction in a year, a mechanism of rolling auctions of coal mines has been planned. Under this mechanism, upon completion of the electronic auction process of a tranche, the next tranche of auction would be launched for following mines:
 - a. Mines where no bid or only single bid was received in the previous tranche of auction (except for those mines where Ministry of Coal decides to go for second attempt of auction)
 - b. New mines, if any, identified by Ministry of Coal.In the current III tranche of commercial auction, total of 48 coal mines have been rolled over from the II tranche of mines.
- iv. **Single Window Clearance:** The Union government has already launched Single Window Clearance portal on 11.01.2021 for the coal sector to speed up the operationalisation of coal mines. It is an unified platform that facilitates grant of clearances and approvals required for starting a coal mine in India. Now, the complete process shall be facilitated through Single Window Clearance Portal, which will map not only the relevant application formats, but also process flow for grant of approval or clearances.

Considering the increased demand as projected by the Ministry of Power, Coal India Limited (CIL) has already taken steps to augment the dispatch & build-up stock at power plants end which is as under:

- o CIL has planned to supply 565 Million Tonne (MT) during 2022-2023 to the power sector to meet the generation requirement of domestic coal-based power generators.
- o CIL has already additionally allocated 11.2 MT of coal from its high stock mines through RCR mode which is to be lifted from different Goods Shed/Private Washeries to build up stock at the plant end.
- o Railways are regularly being requested to give priority in supply of rakes to the power generators.

- CIL has already started building stock at its railway sidings to facilitate adequate rake loading for power sector.

(d) The details of export and quality of coal supplied during the last five years by CIL for generation of power energy in the country by is as under:

Year	Coal Quantity Exported (In'000 tonne)	Weighted average GCV (in Kcal/Kg)/Grade of coal supplied by CIL to Power Sector(Provisional)
2017-2018	0.000	4233(G11)
2018-2019	0.000	4287(G11)
2019-2020	0.990	4287(G11)
2020-2021	2.995	4115(G11)
2021-2022 (28.02.2022)	0.000	4226(G11)
