

GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION No.2883
TO BE ANSWERED ON 03.08.2022

Imported Coal

2883. SHRI SUSHIL KUMAR SINGH:

Will the Minister of COAL be pleased to state:

- (a) whether power producers will have to cough up ten times the price of domestic coal to procure imported coal for 10% blending as mandated by the Centre;
- (b) if so, details thereof;
- (c) if not, whether the Government has tried to ascertain by extent to which the imported coal especially through Pt Bara Daya Energi will be expensive as compared to the domestic coal for the Indian consumers; and
- (d) if so, the details thereof?

Answer

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

(a)to(d): About 80% of coal produced domestically is supplied to power sector. Some TPPs (Thermal Power Plants) are designed for exclusively using high GCV imported coal while other TPPs have also been importing coal for blending purposes for various reasons. In order to address increased coal requirements following recent surge in power demand, Ministry of Power issued an advisory on 28.04.2022 for power plants to import 10% coal for blending purpose. Ministry of Power through its latest advisory dated 01.08.2022 to State Governments and State GENCOs and IPPs has decided that now onwards, States/IPP and Ministry of Coal may decide the blending percentage after assessing the availability of domestic coal supplies. Through another advisory of 01.08.2022 to NTPC and DVC, the Ministry of Power has *inter alia* decided to direct the NTPC and DVC to bring down the blending percentage to 5% at Genco level and keep monitoring the situation closely.

Domestic coal is supplied to GENCOs at notified prices except IPPs and are revised only periodically. On the other hand, the international price of coal varies frequently based on demand supply situation, shipping and logistic considerations and other international factors. In recent times, the international price of coal has shot up steeply. Various Central GENCOs, State Governments and State GENCOs are involved in the import of coal each year and the rates at which they import coal are not shared by them with the Ministry. However, overall coal import data obtained by Ministry of Coal from DGFT for past years shows that the average price/rate of imported coal is always higher than that of the domestic coal.

As per the advisory of Ministry of Power dated 28.04.2022, the import of coal could be made by the powerhouses through their own means or through coal import to be made by Coal India Limited (CIL). Accordingly, CIL was advised by Ministry of Coal to act as a central agency for import of coal for willing consumers. In terms of the above advisory of the Government, CIL floated open tenders for import of coal for the period from July'22 – June'23 for supply to the willing powerhouses and awarded the assignment to the successful L1 bidder through the aforesaid tender.
