

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.1713
ANSWERED ON 05.12.2024**

RISING DEPENDENCE ON COAL IMPORTS

1713. DR. C M RAMESH:

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

- (a) whether the Government is aware of the increased quantity of coal imports in 2024 to offset the shortfall in hydroelectric power generation due to inadequate rainfall;
- (b) if so, the details thereof along with the measures taken/being taken to mitigate the impact of reduced hydroelectric power including efforts to enhance the uptake of renewable energy sources in India's power generation mix; and
- (c) the steps taken/being taken to reduce reliance on coal, especially imported thermal coal as per commitment made by the Government to achieve carbon neutrality by 2070?

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a) & (b) : The details of Hydro generation for the year 2022-23, 2023-24 and the current year till October, 2024 are given at Annexure.

The variable monsoon rains in FY 2023-24 resulted in depleted reservoir levels leading to sub-optimal hydro generation. There was corresponding increase in coal based generation, including generation from Imported Coal Based (ICB) plants. Consequently, the import of coal by power plants has increased from 55.6 MT in 2022-23 to 65.7 MT in 2023-24. This is mainly due to increase in import by ICB plants from 20.5 MT to 41.8 MT. However, during this period, the import of coal by domestic coal based (DCB) plants for blending has decreased from 35.1 MT to 23.9 MT.

Further, during the period from April to October, 2024, the import of coal by power plants has increased from 35.3 MT to 40.9 MT as compared to the same period last year, showing an increase of about 16%. This is mainly due to increase in generation from ICB plants from 45.363 BUs to 56.258 BUs during this period consequently resulting in increase in import from 21.7 MT to 30.0 MT. During the same period, the import of coal by domestic coal based (DCB) plants for blending has decreased from 13.6 MT to 10.9 MT.

The Government has undertaken following measures to enhance the uptake of renewable energy sources:

- i. Waiver of ISTS charges on transmission of electricity generated/supplied from Solar, Wind, Pumped Storage Plants and Battery Energy Storage Systems.**
- ii. Renewable Purchase Obligations (RPOs) and Energy Storage obligations Trajectory till 2029-30.**
- iii. Construction of Green Energy Corridors and putting in place of 13 Renewable Energy Management Centres.**
- iv. Setting up of Ultra Mega Renewable Energy Parks to provide land and transmission to Renewable Energy (RE) developers for installation of RE projects at large scale.**

(c) : The Government has taken following capacity addition programme in Hydro, nuclear and Renewable sectors to reduce dependence on coal based generation:

- i. 13,997.5 MW of Hydro Electric Projects and 6,050 MW of Pumped Storage Projects are under construction and 24,225.5 MW of Hydro Electric Projects and 50,760 MW of PSP are under various stage of planning.**
- ii. 7,300 MW of Nuclear Capacity is under construction and 7,000 MW is under various stages of planning/approval.**
- iii. 1,27,050 MW of Renewable Capacity is under construction and 89,690 MW is under various stages of tendering.**
- iv. India has committed to augment non fossil fuel based installed electric generation capacity to over 5,00,000 MW by 2030.**
- v. As per the extant policy regarding co-firing of biomass pellets with coal in Thermal Power Plants, all coal based thermal power plants of power generation utilities shall on annual basis mandatorily use 5% blend of biomass pellets made, primarily, of agro residue along with coal w.e.f. FY 2024-25. This obligation shall increase to 7% from FY 2025-26.**

Further, the Government has taken following steps to increase production of domestic coal and thereby reducing reliance on imported coal:

- i. Regular reviews by Ministry of Coal to expedite the development of coal blocks.**
- ii. Enactment of Mines and Minerals (Development and Regulation) Amendment Act, 2021 (MMDR Act) for enabling captive mines owners (other than atomic minerals) to sell up to 50% of their annual mineral (including coal) production in the open market after meeting the requirement of the end use plant linked with the mine in such manner as may be prescribed by the Central Government on payment of such additional amount.**
- iii. Single Window Clearance portal for the coal sector to speed up the operationalization of coal mines**
- iv. Project Monitoring Unit for hand-holding of coal block allottees for obtaining various approvals / clearances for early operationalization of coal mines.**

- v. **Auction of commercial mining on revenue sharing basis was launched in 2020. Under commercial mining scheme, rebate of 50 % on final offer has been allowed for the quantity of coal produced earlier than scheduled date of production. Further, incentives on coal gasification or liquefaction (rebate of 50 % on final offer) have been granted.**
- vi. **Terms and conditions of commercial coal mining are very liberal with no restriction on utilization of coal, allowing new companies to participate in the bidding process, reduced upfront amount, adjustment of upfront amount against monthly payment, liberal efficiency parameters to encourage flexibility to operationalize the coal mines, transparent bidding process, 100% Foreign Direct Investment (FDI) through automatic route and revenue sharing model based on the National Coal Index.**
- vii. **The Annual Contracted Quantity (ACQ) has been increased upto 100% of the normative requirement, in cases where the ACQ was either reduced to 90% of normative requirement (non-coastal) or where the ACQ was reduced to 70% of normative requirement (coastal power plants). Increase in the ACQ would result in more domestic coal supplies, thereby, reducing the import dependency.**
- viii. **Government has decided in 2022 that the coal to meet the full PPA requirement of all the existing linkage holders of Power Sector shall be made available by the coal companies irrespective of the trigger level and Annual Contracted Quantity levels. The decision of the Government of meeting the full PPA requirement of the linkage holders of the Power Sector shall reduce the dependence on the imports.**
- ix. **An Inter - Ministerial Committee (IMC) has been constituted in the Ministry of Coal on 29.05.2020 for the purpose of coal import substitution. A strategy paper on coal import substitution has been launched by Ministry of Coal focusing on future roadmap on coal imports substitution**

In addition, coal companies have also taken the following steps to increase the domestic coal production:

- i. **Coal India Limited (CIL) has adopted number of measures to increase coal production. In its Underground (UG) mines, CIL is adopting Mass Production Technologies (MPT), mainly with Continuous Miners (CMs), wherever feasible. CIL has also planned High walls (HW) mines in view of the availability of Abandoned/ Discontinued mines. CIL is also planning large capacity UG mines wherever feasible. In its Open cast (OC) mines, CIL already has State-of-the-Art technology in its high-capacity Excavators, Dumpers and Surface Miners.**
- ii. **Regular liaison is being undertaken by Singareni Collieries Company Limited (SCCL) for grounding of new projects and operation of existing projects. SCCL has initiated action for developing infrastructure for evacuation of coal like Coal Handling Plants (CHPs), Crushers, Mobile Crushers, Pre-weigh-bins etc.**

ANNEXURE

ANNEXURE REFERRED IN REPLY TO PARTS (a) & (b) OF UNSTARRED QUESTION NO. 1713 ANSWERED IN THE LOK SABHA ON 05.12.2024

The details of Hydro generation for the year 2022-23, 2023-24 and the current year till October, 2024

Sl. No.	Year	Generation (MU)
1	2022-23	1,62,099
2	2023-24	1,34,054
3	2024-25 (Upto October)	1,09,078
