GOVERNMENT OF INDIA
MINISTRY OF COAL

LOK SABHA
UNSTARRED QUESTION NO. 577
ANSWERED ON 22.07.2026

CONSTRAINTS IN COAL TRANSPORTATION AND SUPPLY

577. SHRI SURESH KUMAR SHETKAR

Will the Minister of Coal be pleased to state:

(a) whether logistics constraints in coal transportation are affecting supply and if so, the details thereof and if not, the reasons therefor along with the steps taken by the Government to improve coal movement;

(b) whether price fluctuations in international coal markets led to reduced imports and if so, the details thereof and if not, the reasons therefor along with the mitigation measures adopted;

(c) whether the Government has issued directives to blend imported coal with domestic coal and if so, the details thereof and if not, the reasons therefor along with compliance status across States;

(d) whether power tariffs have been impacted due to coal supply changes and if so, the details thereof and if not, the reasons therefor along with steps taken by the Government to protect consumers; and

(e) whether renewable energy is being promoted as alternative to coal-based generation and if so, the details of capacity addition thereof and if not, the reasons therefor along with the steps taken for transition?

ANSWER

THE MINISTER OF STATE FOR COAL AND MINES
(SHRI SATISH CHANDRA DUBEY)

(a): Logistics constraint in coal transportation does affect coal movement in certain coalfields, particularly in respect of rail evacuation capacity, rake availability and connectivity. Key constraints include limited availability of railway rakes, capacity saturation on certain rail corridors, higher wagon turnaround time, shortage of high-capacity wagons and delays in development of rail infrastructure. In some projects, local issues, monsoon disruptions and lack of dedicated rail connectivity also affect evacuation.

To improve coal movement, the Ministry of Coal has requested the Ministry of Railways for development of 33 critical railway projects for augmentation of rail evacuation capacity. Through the coal PSUs, expansion of First Mile Connectivity (FMC) infrastructure has been undertaken. Promotion of multimodal transportation through rail, coastal shipping and inland waterways has also been undertaken.

(b): Government has taken policy initiatives as under to encourage use of domestically produced coal and to reduce coal import dependency:

i. The Annual Contracted Quantity (ACQ) has been increased to 100% of the normative requirement, in cases where ACQ was either reduced to 90% of the normative requirement (non-coastal power plants) or where it was reduced to 70% of the normative requirement (coastal power plants).
ii. Vide amendment to the Non-Regulated Sector (NRS) linkage auction policy introduced in 2020, the tenure of coking coal linkages in the NRS linkage auction has been revised for a period up to 30 years.
iii. Government has decided in 2022 that coal shall be made available by coal companies so as to meet the full Power Purchase Agreement (PPA) requirement of all the existing coal linkage holders of Power Sector irrespective of the trigger level and ACQ levels.
iv. A new sub-sector 'Steel using Coking coal through WDO route' has been created in March, 2024 under the NRS linkage auctions.
v. Coking Coal Mission has been launched to enhance coking coal supply to the Steel Sector to reduce imports of coking coal.
vi. Imported Coal Based (ICB) Plants have been allowed to secure coal under the Revised SHAKTI Policy, 2025.
vii. Existing Fuel Supply Agreement (FSA) holders have been allowed to secure coal under the Revised SHAKTI Policy, 2025 after procuring 100% of the ACQ coal under existing FSA.
viii. To increase availability of washed coal, a new window by name of CoalSETU window has been created under the Non- Regulated Sector linkage auctions.

(c): Import of coal is under Open General License (OGL) and power plants are free to import coal to meet their coal requirements. With improved domestic coal availability, the Ministry of Power discontinued its advisory for blending imported coal beyond October 15, 2024.

(d): The energy charge rate (ECR) of the thermal power plant depends primarily on coal price and the associated transportation cost from coal mine to power plant. Government has taken the following steps to reduce power tariff:

i. The Government, on 04.05.2016, approved the proposal for allowing flexibility in utilization of domestic coal amongst power generating stations to reduce the cost of power generation.
ii. Ministry of Coal from time to time rationalizes coal linkages of power plants to reduce the landed cost of coal at power plants.

(e): India has achieved 50% of its installed electricity generation capacity from non-fossil fuel sources in the year 2025 itself—five years ahead of the target. As on 30.06.2026, non-fossil fuel installed capacity is 297.37 GW.

Further, the details of All India RE Capacity addition (including Large Hydro) of last three years and current year (up to June-2026) is as under:

Period	**All India Renewable Energy Capacity addition (including Large Hydro) in MW**
2023-24	18,545
2024-25	29,524
2025-26	54,525
2026-27(upto June-26)	13,901

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