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Coal Imports for Thermal Power Plants in India & Consumption of Domestic Coal

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01

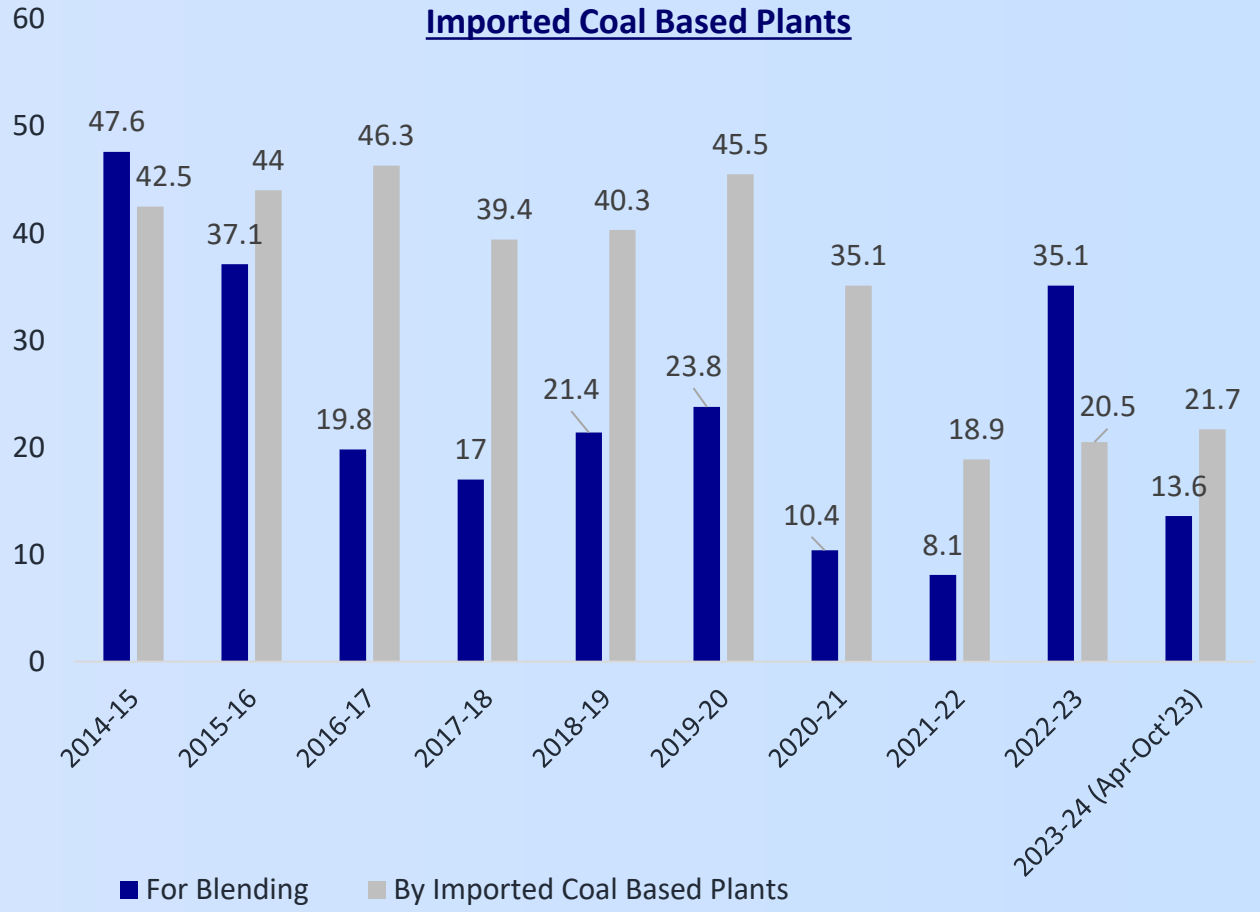
Imports coal by thermal power plants in India – Past 10 Years Trend

35.3 Million Tonnes of coal has been imported by thermal power plants in India during FY'2023-24 (Till Oct'23)

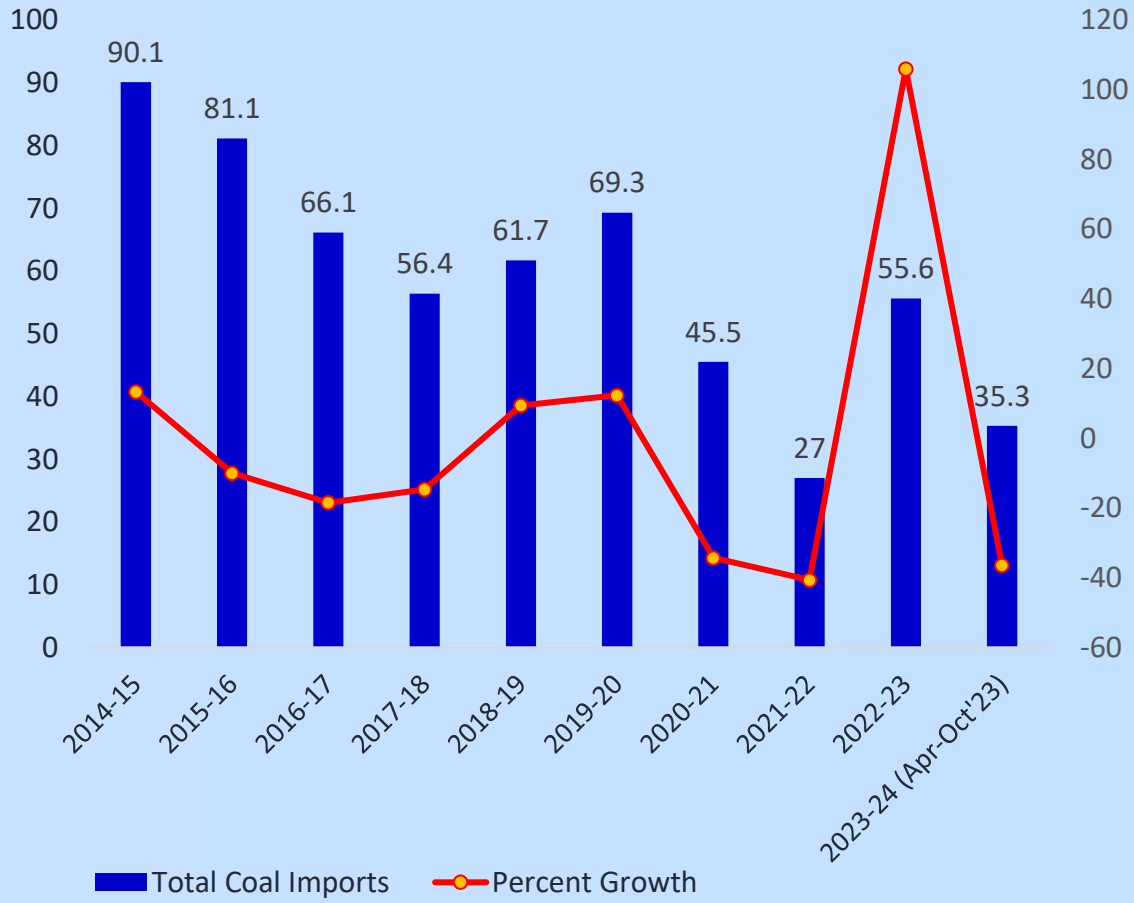
The concern of GoI is to ensure sufficient availability of coal to Thermal Power Plants (TPPs) so that the demand for electricity may be met. Coal, whether domestic or imported, is procured by Thermal Power Plants [Domestic Coal Based (DCBs) plants or Imported Coal Based Plants (ICBs)] separately and as per their requirements. As Coal is under open general licence (OGL) since 1993, thermal power plants / generators have been regularly importing coal as per their preference (imported coal has high Gross Calorific Value and therefore is of better quality) and need, based on their commercial prudence. There are several Power Plants based exclusively on imported coal. In addition, the Domestic Coal Based (DCBs) plants have been importing coal for blending purpose since 2009. The imports for blending varied between a peak of 47.6 Million Tones (MT) in 2015-16 to 23.8 MT in 2019-20. In 2020, Ministry of Power advised States to reduce imports for blending; as a result, the imports declined to 8.1 MT in the year 2021-22. Information regarding coal imports by DCBs and ICBs is regularly collected and monitored by Central Electricity Authority.

Import of Coal (Million Tonnes) by Thermal Power Plants in India from 2014-15 Till Oct'2023

Split of Coal Imports for Blending Purpose & by Imported Coal Based Plants



Total Coal Imports & Percent Growth in the same



Source: Ministry of Coal, Ministry of Power, Eninrac

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02

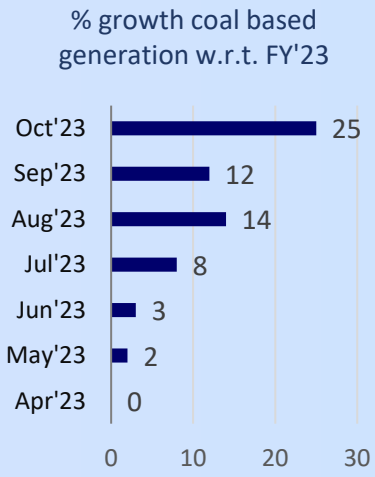
Growth in coal-based generation, receipt of domestic coal during FY'2023-24 (Till Oct'23)

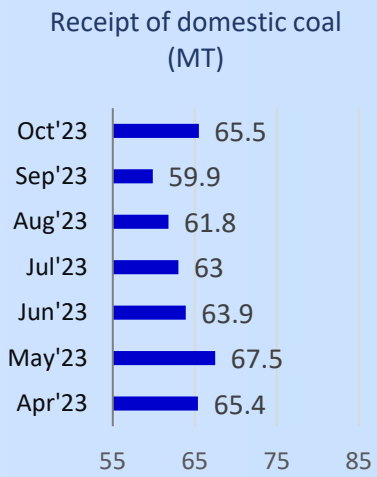
During April-October 2023, the average growth in coal-based generation, with respect to corresponding period of FY 23, was 8.6% and the depletion in DCB plants stocks was 15.3 MT

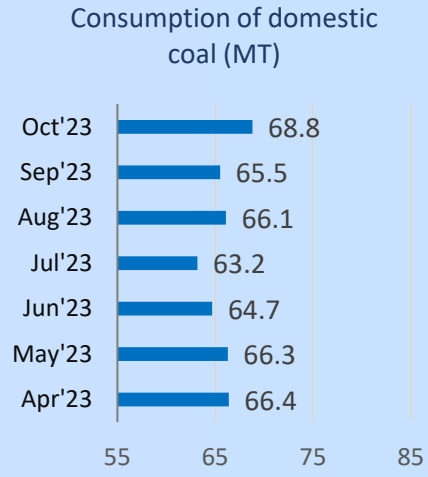
During April-Sep 2022 (QI, Q2 of FY 2022-23) the receipt of domestic coal was about 355 MT against the consumption of 385 MT (Dom: 359 MT + Imp: 1.4 x 18.9 MT). **The gap between supply of domestic coal and consumption of coal was about 1.6 lakh tonnes / day during this period**. On the improvement of the situation, Ministry of Power advised GENCOs on 01.08.2022 to take decision regarding blending at their level taking into account the domestic coal supply and stock position (need based blending) with continuous monitoring of stock levels. The gap between daily coal consumption and daily arrival of domestic coal ranged between 2.65 Lakh Tonnes to 0.5 Lakh Tonnes between the months of September 2022 and January 2023. **If the imports for blending had not been made, the coal stocks in thermal power plants would have reduced to ZERO in September 2022 and would have continued so, leading to widespread power cuts and blackouts.** Therefore, Ministry of Power advised Central, State Gencos and Independent Power Producers (IPPs) on 09.01.2023 to import coal @ 6% by weight through a transparent competitive procurement for blending so as to have sufficient coal stocks at their power plants for smooth operations till September 2023.

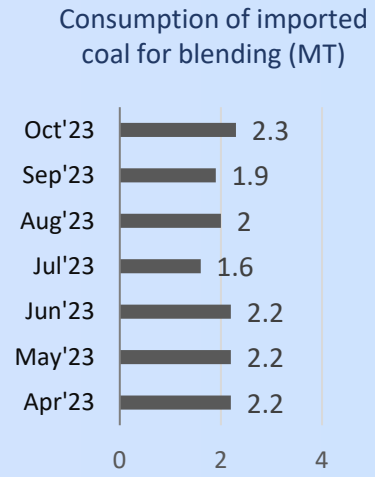
In the current Financial Year, Power Supply position has been regularly reviewed by the Ministry of Power and it has been observed that there is consistent rising trend in the power demand in the country coupled with inadequate supply of domestic coal which has resulted in rapid depletion of coal stocks at Domestic Coal Based (DCB) Plants across the country. **During April-October 2023, the average growth in coal-based generation, with respect to corresponding period of FY 23, was 8.6% and the depletion in DCB plants stocks was 15.3 MT**

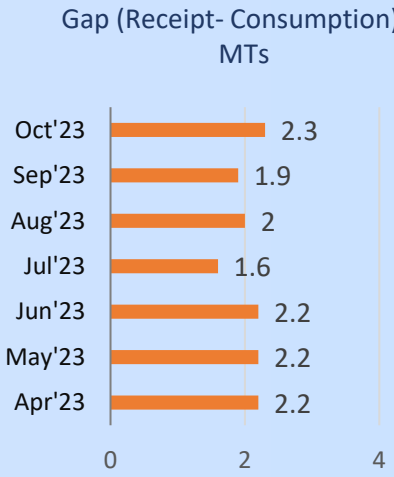
Summary of Growth in Coal based generation, receipt of Domestic Coal and consumption in DCB Plants From Apr-Oct'2023

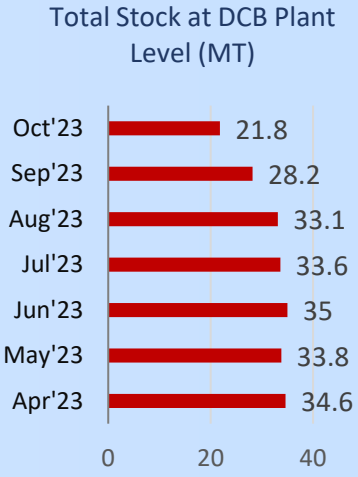


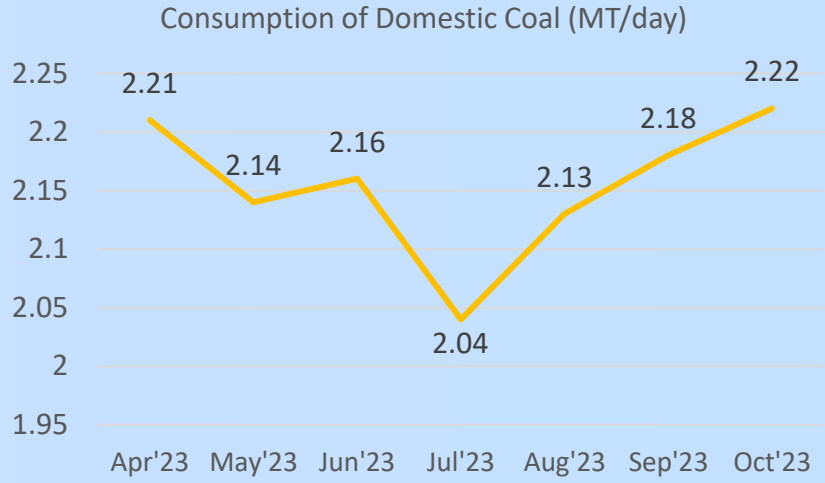


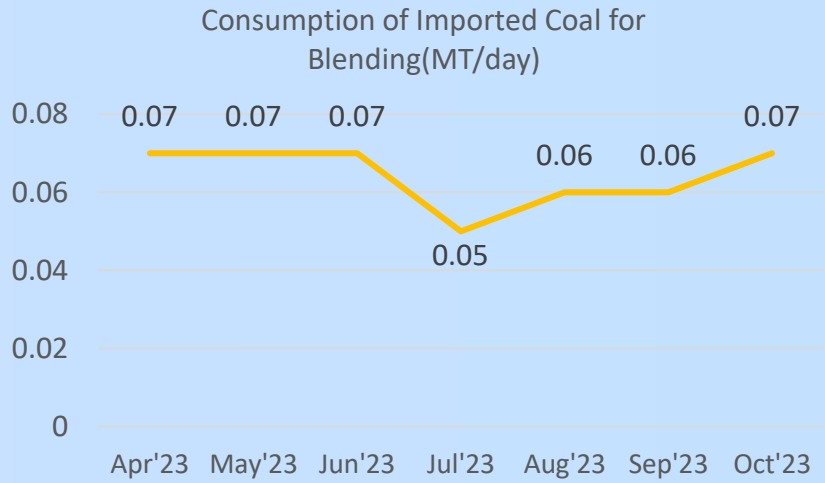












Source: Ministry of Coal, Ministry of Power, Eninrac

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03

State wise rationalization of coal linkages in India for distinct thermal power plants

In India Coal PSUs are in constant endeavor to reduce production cost by improving in efficiency in their operations through adoption of mechanization of its mines. In underground mines, Mass Production Technologies (MPT), mainly with Continuous Miners (CMs) and Highwalls (HW) mines are adopted. In opencast mines, State-of-the-Art technologies are adopted in high-capacity Excavators, Dumpers and Surface Miners. Digital transformation technology has also been introduced on pilot scale in a few mega mines. Further, CIL has also adopted Mine Developer cum Operator (MDO) and Long-Term outsourcing models for mines. CIL is also operationalizing abandoned/discontinued mines on Revenue sharing model. CIL is taking all efforts to increase its domestic production as well as offtake. An increase in domestic production of coal would lead to reduction in dependence on imported coal by the industries. To make more domestic coal available and reduce import of coal, the following steps have been taken:

1. Auction of commercial coal blocks on revenue share basis
2. Operationalization of new mines and expansion of existing coal mines
3. Regular monitoring with relevant states and district authorities
4. Issuance of New Coal Linkage for New Power Plants
5. Thrust is being made to offer large quantities of domestic coal through various format of eAuctions so that the consumers are not inclined towards import of coal
6. Increased Supplies
7. Flexibility has been given to NRS Linkage consumers for change of mode from Rail to Road in view of high pendency of rake supply

State wise details of coal linkage rationalization implemented in India

State/UT	Name of the Plant	Earlier Source	Rationalized Sources
Andhra Pradesh	Simhadri	MCL	ECL
Assam	Bongaigaon	NEC	ECL
Delhi	IGTPP	MCL	NCL
Gujarat	GANDHINAGAR	SECL	WCL
	Ukai	SECL	WCL
	WANAKBORI	SECL	WCL
Haryana	APCPL, Jhajjar	MCL	CCL
	HPGCL	MCL/ECL	CCL
	Mahatma Gandhi TPP Jhajjar	ECL	NCL
	PANIPAT	NCL/WCL	CCL
	RG TPS, Hissar	MCL	CCL
Jharkhand	KODERMA	ECL	BCCL
		MCL	CCL
Karnataka	Raichur	MCL/ WCL	WCL/ MCL
Madhya Pradesh	Bina TPP	CCL	NCL
	MPPGCL	SECL/WCL	WCL/SECL
	Satputa TPS	SECL	WCL
	Seoni TPP	MCL	NCL
	Shree Singhajee St-I	SECL	NCL
Maharashtra	Bhusawal	MCL	SECL
	Chandrapur	SECL	MCL
	KHAPERKHEDA	MCL	SECL/WCL
	MAHAGENCO	MCL	WCL
	MOUDA	MCL	SECL
			WCL
	PARLI	MCL	WCL
Punjab	Rajpura TPP Nabha Power	SECL	NCL

Source: Ministry of Coal, Ministry of Power, Eninrac

State wise details of coal linkage rationalization implemented in India

State/UT	Name of the Plant	Earlier Source	Rationalized Sources
Punjab	Rajpura TPP Nabha Power	SECL	NCL
	Ropar, PSPCL	BCCL	CCL
	Talwandi Sabo Power Limited	MCL	NCL/SECL
Rajasthan	KOTA	SECL	NCL
	SURATGARH	NCL	SECL
Tamil Nadu	TANGEDCO	MCL	WCL/CCL
	Tuticorin	CCL	MCL
Telangana	KOTHAGUDAM	MCL	SCCL
	RAMAGUNDAM	MCL/SECL	SCCL
Uttar Pradesh	Bajaj Energy Limited	CCL	NCL
	Meja Urja Power Nigam Ltd	SECL	NCL/CCL
	UPRVUNL	BCCL	NCL/SECL
West Bengal	BAKRESWAR	MCL	BCCL
	DPL	MCL	BCCL
	DSTPS	CCL	MCL/ECL
	Durgapur Projects Ltd	MCL	ECL
	Farakka	NEC	ECL
	KOLAGHAT	MCL	BCCL
	MEJIA	MCL	ECL
	WBPDCL	BCCL	CCL
		MCL	ECL/CCL

Source: Ministry of Coal, Ministry of Power, Eninrac

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