

File No: FU-21/2020-FSC(Vol-IV)
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, dated 9.1.2023

To,

1. Principal Secretaries/Secretary (Power/Energy) of all State Governments/ UTs
2. CMDs, Thermal Generating Stations (Central, State GENCOs/IPPs)

Subject: Direction to all Gencos including Independent Power Producers (IPPs) for timely Import of Coal for blending purposes and maximising production in captive coal mines – reg.

Due to recent surge in demand and consumption of electricity, the share of coal-based generation has increased. Although the supply of coal from all sources has increased, it is not commensurate with the requirements of thermal power plants (TPPs).

2. Ministry of Power (MoP) is very closely monitoring the coal availability for TPPs. Efforts have been made to increase coal availability from all sources (CIL, SECL, Captive) in coordination with Ministry of Coal (MoC). Although coal supply has increased during Q4, it is not adequate to meet the unprecedented increase in the demand of electricity. Similarly efforts have been made to address logistic issues in cooperation with Ministry of Railways (MoR). In order to ease out the logistic pressure on Railways, MoP has planned to transport available coal from MCL region through RSR mode to TPPs located in Northern & Western parts of the country. Accordingly directions have been issued to source 10 to 15% of their requirement through RSR mode to the States of Gujarat, Rajasthan, Maharashtra and Punjab as well as NTPC. Efforts have also been made to address the constraints in transportation of coal (RCR, Road, ARR) through all modes. Despite the above mentioned efforts, it has been noted that the infrastructure related logistic constraints of Railways will take some time to get fully addressed.

3. Grid India (POSOCO) has reported that the energy demand has increased sharply and it is expected to remain at increased level during H1 of 2023-2024. CEA has accordingly revised the target for coal requirement for Q4 of current FY and H1 of next FY. MoC has committed to supply coal to meet the revised target of 197.7 MT, however it is subject to availability of rakes and other logistic issues. As per the past trend, the likely supply of domestic coal during the H1, FY 2023-24 would be around 392 MT. Thus, around 24 MT would be the anticipated shortfall during the H1 of FY 24. It is noted that the shortfall between the daily coal consumption and the daily arrival of domestic coal is ranging from 3 Lakh Tonnes per day to 1 Lakh Tonnes per day. This shortfall is made up by blending with imported coal. It is assessed that coal stock position without blending of imported coal in DCBs will progressively decline to zero which will severely impact power supply position in the country.

4. Import of coal for blending purpose needs to be done in a streamlined manner in order to avoid clogging of logistics. During Q1 & Q2 of FY 23, imported coal stocks at ports piled up due to logistics constraints.

5. In the light of above scenario where energy demand is increasing and increase in supply of coal is not commensurate with the domestic coal requirement, the need has arisen to continue use imported coal for blending purpose. MoP, after consultation with CEA, MoC, MoR and Association of Power Producers (APP) has decided to direct all Gencos to import coal for blending 6% (by weight) for the remaining period of this current FY and H1 of the next FY (upto September, 2023). The domestic coal supply of those Gencos who do not follow these instructions shall be restricted to pro-rata basis. The Central, State Gencos and IPPs are directed to take necessary action and immediately plan to import coal through a transparent competitive procurement for blending at the rate of 6% by weight so as to have coal stocks at their power plants for smooth operations till September 2023.

6. This issues with the approval of Hon'ble Minister of Power & NRE.


(Subhash Chand)


Under Secretary to the Govt. of India

Copy to:

1. Secretary, Ministry of Coal
2. Secretary, CERC/ All SERCs
3. Chairman, Railway Board
4. Chairman, Central Electricity Authority
5. DG, Association of Power Producers (APP)

Copy also to NIC with the request to upload the same on MOP Portal.

NIC


9.1.2023