

Measures in Place for Production and Supply of Coal

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There is no shortage of coal in the country. Due to increased demand of power, less power generation by imported coal based power plants and some interruption in supply of coal due to heavy rains, the coal stock at the power plants depleted to 7.2 Million Tonnes (MT) (sufficient for 4 days) as on 8th October, 2021. Subsequently with increased coal supplies, the coal stock has started increasing and has now reached 18.5 MT (sufficient for 10 days) as on 05.12.2021. Coal India Limited (CIL) has dispatched around 64 MT more coal during April - November'21 in comparison to the same period of last year. CIL has dispatched 421.11 MT coal during this period, against 357.13 MT during the same period of last fiscal.

As per the current import policy, coal is kept under Open General License (OGL) and consumers are free to import coal from the source of their choice as per their contractual prices on payment of applicable duty. In view of limited domestic production of coking coal, coking coal will continue to be imported for use by the steel sector. Thermal power based on domestic coal may use imported coal up to 10% for blending with domestic coal, where technically feasible, to meet the increased power demand in the country.

The following action has also been taken by Government to further enhance the production of the coal in the country:

- i. **Commercial Auction of coal on revenue share mechanism:** Auction of commercial mining on Revenue Sharing Mechanism was launched on 18.06.2020 by Hon'ble Prime Minister. Under this scheme, total of 2 tranches have been successfully completed and third Tranche is currently under process. From these two tranches total of 28 coal mines have been successfully auctioned for which Vesting order have in signed for 27 coal mines.
- ii. **Allow sale of excess coal production:** The Ministry of Coal has amended Mineral Concession Rules, 1960 with a view to allowing sale of coal or lignite, on payment of additional amount, by the lessee of a captive mine up to 50 percent of the total coal or lignite produced in a financial year, after meeting the requirement of the end use plant linked with the mine. Earlier this year, the Mines and Minerals (Development & Regulation) Act had been amended to this effect. This is applicable for both the private and public sector captive mines. With this amendment, the Government has paved the way for releasing of additional coal in the market by greater utilization of mining capacities of captive coal and lignite blocks, which were being only partly utilized owing to limited production of coal for meeting their captive needs.
- iii. **Rolling auction:** In order to expedite the process for conducting auction and to carryout more rounds of auction in a year, a mechanism of rolling auctions of coal mines has been planned. Under this mechanism, upon completion of the electronic auction process of a tranche, the next tranche of auction would be launched for following mines:
 - a. Mines where no bid or only single bid was received in the previous tranche of auction (except for those mines where Ministry of Coal decides to go for second attempt of auction)
 - b. New mines, if any, identified by Ministry of Coal

In the current III tranche of commercial auction, total of 48 coal mines have been rolled over from the II tranche of mines.

- iv. **Single Window Clearance:** The Union government has already launched Single Window Clearance portal on 11.01.2021 for the coal sector to speed up the operationalisation of coal mines. It is an unified platform that facilitates grant of clearances and approvals required for starting a coal mine in India.

Now, the complete process shall be facilitated through Single Window Clearance Portal, which will map not only the relevant application formats, but also process flow for grant of approval or clearances.

v. Coal India Ltd. has envisaged a coal production programme of one Billion Tonne from CIL mines. CIL has taken the following steps to achieve the target of augmentation of coal production capacity:

1. 15 Projects identified with a Capacity of about 160 MTPA (Million Tonnes per Annum) to be operated by Mine Developer cum Operator mode.
2. Capacity addition through special dispensation in Environment Clearance under clause 7(ii) of Environmental Impact Assessment (EIA) 2006
3. CIL has taken steps to upgrade the mechanized coal transportation and loading system under 'First Mile Connectivity' projects.

This information was given by the Union Minister of Coal, Mines and Parliamentary Affairs Shri Pralhad Joshi in a written reply in Rajya Sabha today.

MV/ RKP

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