

Domestic Coal Production Goes up by 28% as of 16 June, 2022

Total Production Touches Nearly 138 Million Ton as on 31st May, 2022-23

Adequate Coal Supply to Power Sector Ensured on Sustained Basis

Coal Stock At Different Mines Touches 52 Million Ton, Sufficient For 24 Days' Power Sector Requirement

Short & Long Term Tenders Floated by Coal India Ltd for Coal Import

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After a record-breaking coal production of 777 Million Ton (MT) in 2021-22, the domestic coal production continues to witness an increasing trend in the current financial year as well. The total domestic coal production in 2022-23, as on 31st May, 2022 is 137.85 MT, which is 28.6% more as compared to the production of 104.83 MT in the same period of last year. This trend is being maintained in June, 2022 also. The coal production by Coal India Ltd (CIL) is 28% more than the production in the same period of the previous year (as on 16th June, 2022). Domestic coal production target for the current financial year is 911 MT which is 17.2% more than the previous year.

The coal imports for blending by the Domestic Coal Based (DCB) power plants have dropped to 8.11MT in the year 2021-22 which has been the lowest coal import in the last eight years. This was possible solely due to the robust coal supply from domestic sources and increased domestic coal production.

The Imported Coal Based (ICB) power plants had imported coal of more than 45 MT per year from 2016-17 to 2019-20. However, coal import by the ICB power plants dropped to the lowest level of 18.89 MT in 2021-22 and the generation from these plants also dropped to 39.82 BU in the year 2021-22 as compared to the 100+ BU which these plants have been generating since quite some time. This year too their generation

remains very low due to high price of imported coal.

In the last five years, the coal-based power generation has grown at a CAGR of 1.82% whereas the domestic coal supply to power sector had grown at a CAGR of 3.26%. Thus, coal supply to power sector has outpaced the growth in coal-based power generation and continues to do so in the present year too.

In the year 2021-22, coal supply from CIL to the DCB power plants has been more than the supply required to be made under Fuel Supply Agreement (FSA). CIL had supplied 540 MT coal, out of which 483 MT coal was supplied against FSA. This coal was sufficient for the power plants to run at 69% PLF whereas the DCB power plants operated at a PLF of only 61.3% in the year 2021-22. In the year 2022-23, as per FSA, CIL was supposed to supply 120.67 MT coal to its linked power plants (at 85% PLF) whereas CIL had supplied 129.58 MT coal (till 16.06.22). This supply is 7.4% more than the supply required by the plants if they operate at 85% PLF. The plants have operated at about 70% PLF and the CIL coal supply to its FSA linked plants is 30.4% more than their requirement.

With increased production, the rake supply from CIL to power sector has also been at all-time high. The rake loading to power sector increased from 215.8 rakes per day in 2020-21 to 271.9 rakes per day in 2021-22, registering a growth of 26%. In the current year also (till 16th June, 2022), the rake supply from CIL to power sector has increased by 25% as compared to same period of last year. At the same time, coal stocks at pit head power plants are much higher than distant plants.

The DCB power plants have generated a record high power of 3.3 BU per day in the month of June 2022 (till 16th June, 2022). The coal stock at the DCB power plants during this period, however have not depleted, rather the same has increased from 21.85 MT (as on 01.06.22) to 22.64 MT (as on 16.06.22). This reflects the robust coal production and sufficient supply to keep up with the increasing demand. The coal stock is sufficient for more than 10 days' requirement.

As on 16th June 22, coal stock at different domestic coal mines is more than 52 MT, which is sufficient for about 24 days requirement of power plants. In addition to it, about 4.5 MT coal stock is available at various Goodshed sidings, Private Washeries and ports and is awaiting to be transported to the power plants.

During the monsoons, despite having high coal stock at mine ends, the coal companies face problems in transporting coal to the sidings due to flooding of mines and the wet coal jamming the Coal Handling Plants conveyor systems. Even by end of second quarter, coal stocks remain high at CIL mines when stocks are low at thermal plant end. There domestic coal production is not an issue. The coal supplies from CIL are more than the FSA requirements. However, CIL has agreed to import coal for the interested power sector consumers (State Gencos and IPPs) and have floated a short-term tender for 2.4 MT imported coal for supply within three months and two long term imported coal supply tenders of 6 MT each for supply over a period of one year.

The ICB power plants and the Gas based power plants have been operating at very low capacities due to constraints in easy availability of required fuel and issues related to PPAs. However, coal supplies from CIL and other domestic sources is sufficient to ensure that there is adequate coal at the power plants during the monsoon season.

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