

Standing Committee Report Summary

Development of Coal Blocks Allocated to Power Sector Companies

- The Standing Committee on Energy (Chair: Mr. Rajiv Ranjan Singh) submitted its report on the subject “Development of Coal Blocks Allocated to Power Sector Companies”, on August 5, 2021. Key observations and recommendations of the Committee include:
- **Import of coal:** The Committee noted that India imports a significant quantity of coal despite having abundant coal reserves. It noted that a key reason for import is the superior quality of coal. Further, certain plants are designed to use imported coal while some others require it for blending purposes.

The Committee recommended that the import of coal should be eliminated in a phased manner. This could be done by enhancing the quality of the indigenous coal and modifying the design of boilers in the power plants to make them compatible with indigenous coal.
- **Future of thermal power plants:** The Committee noted that coal will remain the main source of power in this decade. It noted there may be a 30% increase in the installed thermal power generation capacity of India by 2029-30 (from 205 Megawatt in 2020-21 to 267 Megawatt by 2029-30). It also observed that currently, the thermal power plants are running at about half of their capacity. However, their capacity utilisation may be increased in future leading to an increase in coal requirement. It recommended that the emissions from the thermal power plants should be reduced through the application of advanced technologies
- **Operationalisation of coal blocks:** The Committee noted that a total of 16 coal blocks have been allocated to central public sector undertakings (CPSUs) in the power sector. Out of these, only five have been operationalised. Out of the remaining 11 coal blocks, three coal blocks have been given the required environment-related clearances, while eight are yet to get these clearances. The Committee observed that key reasons behind slow development in the operationalisation of coal blocks include: long average time for statutory clearances, (ii) delay in land acquisition, and (iii) law and order problems.
- The Committee recommended that efforts should be made by the allottees for expeditious and time bound development coal blocks. In addition, there should be regular follow up with the concerned authorities. Further, it recommended that the Central Electricity Authority and the Ministry of Power should provide necessary assistance to the CPSUs for resolving concerns regarding the operationalisation of mines.
- **Guidance to allocatees:** The Committee noted that CPSUs and other power sector entities were allocated coal blocks to fulfil their coal need and lessen the burden on Coal India Limited for the supply. These allocatees do not have prior experience of coal mining. It recommended that the Ministry of Coal should do handholding of these allottees. In addition, the Ministry of Power, and the Ministry of Coal should jointly develop strategies and mechanisms (such as special purpose vehicles) for such allocatees to help them develop and utilise their coal blocks.

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