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STANDING COMMITTEE ON ENERGY

(2021-22)

SEVENTEENTH LOK SABHA

MINISTRY OF POWER

[Action taken by the Government on the observations/recommendations contained in the Eighteenth Report (Seventeenth Lok Sabha) on the subject 'Development of Coal Blocks allocated to Power Sector Companies']

TWENTY-NINTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

July, 2022/Sravana, 1944 (Saka)

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[Action taken by the Government on the observations/recommendations contained in the Eighteenth Report (Seventeenth Lok Sabha) on the subject 'Development of Coal Blocks allocated to Power Sector Companies']

Presented to Lok Sabha on 02.08.2022
Laid in Rajya Sabha on 02.08.2022



सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

July, 2022/ Sravana, 1944 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON ENERGY
(2021-22)**

MEMBERS

Lok Sabha

Shri Rajiv Ranjan Singh *alias* Lalan Singh - Chairperson

2. Shri Gurjeet Singh Aujla
3. Shri Devendra Singh Bhole
4. Shri Harish Dwivedi
5. Shri Sanjay Haribhau Jadhav
6. Shri Kishan Kapoor
7. Dr. A. Chella Kumar
8. Shri Sunil Kumar Mondal ^
9. Shri Uttam Kumar Reddy Nalamada
10. Shri Ashok Mahadeorao Nete
11. Shri Praveen Kumar Nishad
12. Shri Velusamy P.
13. Shri Parbatbhai Savabhai Patel
14. Shri Gyaneshwar Patil@
15. Shri Jai Prakash
16. Shri Dipsinh Shankarsinh Rathod
17. Shri Gnanathiraviam S.
18. Shri Bellana Chandra Sekhar
19. Shri Shivkumar C. Udasi
20. Vacant**
21. Vacant#

Rajya Sabha

22. Shri Ajit Kumar Bhuyan
23. Shri Rajendra Gehlot *
24. Shri Muzibulla Khan
25. Shri Maharaja Sanajaoba Leishemba
26. Shri S. Selvaganabathy *

27. Dr. Sudhanshu Trivedi
28. Shri K.T.S. Tulsi
29. Vacant^{\$}
30. Vacant &
31. Vacant^{^^}

SECRETARIAT

- | | | |
|----|---------------------------|---------------------|
| 1. | Dr. Ram Raj Rai | Joint Secretary |
| 2. | Shri R.K. Suryanarayanan | Director |
| 3. | Shri Kulmohan Singh Arora | Additional Director |
| 4. | Shri Manish Kumar | Committee Officer |

[^] Nominated as Member of the Committee w.e.f. 01.12.2021 vice Smt. Sajda Ahmed.

[@] Nominated as Member of the Committee w.e.f. 07.02.2022 vice Shri Ramesh Chander Kaushik.

^{**} Shri Akhilesh Yadav ceased to be Member of the Committee consequent upon his resignation from membership of the Lok Sabha on 22.03.2022.

[#] Vacant since constitution of the Committee.

^{*} Nominated as Member of the Committee w.e.f. 11.11.2021.

^{\$} Shri Jugalsinh Lokhandwala resigned from the membership of the Committee on 02.12.2021.

& Shri T.K.S. Elangovan ceased to be Member of the Committee consequent upon his retirement from the Rajya Sabha on 29.06.2022.

^{^^} Shri Sanjay Seth ceased to be Member of the Committee consequent upon his retirement from the Rajya Sabha on 04.07.2022.

INTRODUCTION

I, the Chairperson, Standing Committee on Energy having been authorized by the Committee to present the Report on their behalf, present this Twenty-Ninth Report on action-taken by the Government on the observations/recommendations contained in the Eighteenth Report (Seventeenth Lok Sabha) on the subject 'Development of Coal Blocks allocated to Power Sector Companies'.

2. The Eighteenth Report was presented to the Lok Sabha on 5th August, 2021 and was laid in Rajya Sabha on the same day. Replies of the Government to all the recommendations contained in the Report were received on 15th November, 2021.

3. The Report was considered and adopted by the Committee at their sitting held on 26th July, 2022.

4. An Analysis on the Action Taken by the Government on the recommendations contained in the Eighteenth Report of the Committee is given at Appendix-II.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in the body of the Report.

**New Delhi
26th July, 2022
Sravana 4, 1944 (Saka)**

**Rajiv Ranjan Singh *alias* Lalan Singh,
Chairperson,
Standing Committee on Energy**

CHAPTER - I

This Report of the Standing Committee on Energy deals with the action taken by the Government on the observations/recommendations contained in the Eighteenth Report (Seventeenth Lok Sabha) on the subject 'Development of Coal Blocks allocated to Power Sector Companies'.

2. The Eighteenth Report was presented to Lok Sabha on 05th August, 2021 and was laid same day on the Table of Rajya Sabha. The Report contained 7 observations/recommendations.

3. Action taken notes in respect of all the observations/ recommendations contained in the Eighteenth Report have been received from the Government. These have been categorized as follows:

- (i) Observations/Recommendations which have been accepted by the Government:

Serial Nos. 2,3,4,5,6 and 7

Total - 6
Chapter-II

- (ii) Observation/Recommendation which the Committee do not desire to pursue in view of the Government's reply:

- Nil -

Total - 00
Chapter-III

- (iii) Observation/Recommendation in respect of which the reply of the Government has not been accepted by the Committee and which require reiteration:

Serial No. 1

Total-01
Chapter-IV

- (iv) Observation/Recommendation in respect of which the final reply of the Government is still awaited:

- Nil -

Total - 00
Chapter-V

4. The Committee desire that Action Taken Statement on the Observations/Recommendations contained in Chapter-I of this Report may be furnished to the Committee within three months of its presentation.

5. The Committee will now deal with the action taken by the Government on some of their observations/recommendations that require reiteration or merit comments.

(Recommendation Sl. No. 1)

Optimum Utilization of Domestic Coal

6. The Committee, in their Report, had observed/recommended as under:

“The Committee note that as per the Annual National Inventory for coal and lignite, circulated by the Geological Survey of India, the total coal resource of the country is 344.02 billion tonnes. At the present rate of excavation of coal in the country, which is around 729 million tonnes annually, this reserve can last for more than 400 years. Due to the growing environmental concerns and commitments of our country at various global fora and also increasing focus on renewable energy, it is obvious that most of our coal reserves may not be ever utilized. The Committee also observe that despite having mammoth coal reserves in our country, it is a paradox that we have been importing a substantial amount of coal. The share of imported coal, in some years, has been as high as 16-17 % of the total coal receipt. The reason adduced by the Ministry for import of coal is that imported coal is of superior quality, some plants are designed for use of imported coal while some others require it for blending purpose, etc. The Committee are of the considered view that import of coal should be done away with in a phased manner, as we have more than enough coal reserves to fully cater to meet our demand. The Committee are also aware that the quality of indigenous coal can be enhanced to a great extent and the design of boiler of power plants can be modified to enable them to run on domestic coal. The Committee feel that there is a need for the formulation of a clear-cut policy that is not only in consonance with the idea of 'Atmanirbhar Bharat' but also helpful in achieving the energy security of the country and providing affordable power for the common man. The Committee, therefore, recommend that the Ministry of Power and the Ministry of Coal should collaborate on this issue with utmost seriousness and make concerted efforts for optimum utilization of domestic coal reserves.”

7. The Ministry, in its action taken reply, has stated as under:

“Power plants designed on imported coal import coal to meet its fuel requirement. Further, plants designed on domestic coal also import coal for blending purposes in view of their cost-economics.

With the increased availability of domestic coal, Govt. has taken initiative to substitute imported coal used for blending purposes with domestic coal. Ministry of Power in April 2020 advised generating companies who were importing coal for blending purpose to make best efforts to replace their imports with domestic coal. Further, Ministry of Coal in May 2020 constituted an Inter Ministerial Committee (IMC) for the purpose of substitution of imported coal and to suggest measures to eliminate substitutable coal import. During 2020-21, Coal India Limited (CIL) offered domestic coal to power plants for substituting imported coal used for blending purpose.

With the concerted efforts of Ministry of Power (MoP), Ministry of Coal (MoC), CIL, Central Electricity Authority (CEA) and power plants, the import of coal for blending has reduced to 10.4 MT in 2020-21 vis-à-vis 23.8 MT during 2019-20 resulting in reduction of about 56%. Further, the power plants designed on imported coal imported 35.1 MT during 2020-21 vis-à-vis 45.5 MT during previous year resulting in reduction of about 23%. The total import by power plants has reduced by about 34% in 2020-21 as compared to 2019-20. The receipt of domestic and imported coal (for blending purpose and for the plants designed on imported coal) during last five years and current year 2021-22 (Apr-Sep) are as under:

| Year | Coal Receipt (In Million Tonnes) | | | | | Share of Imported coal in total receipt (%) |
|-------------------|----------------------------------|------------------|--------------------------------|--------------|---------------|---|
| | Domestic Receipt | Imported Receipt | | | Total Receipt | |
| | | For Blending | For Imported coal based plants | Total Import | | |
| 2016-17 | 494.9 | 19.8 | 46.3 | 66.1 | 561 | 12% |
| 2017-18 | 538.6 | 17 | 39.4 | 56.4 | 595 | 9% |
| 2018-19 | 582.1 | 21.4 | 40.3 | 61.7 | 643.8 | 10% |
| 2019-20 | 569.5 | 23.8 | 45.4 | 69.2 | 638.7 | 11% |
| 2020-21 | 550.8 | 10.4 | 35.1 | 45.5 | 596.3 | 8% |
| 2021-22 (Apr-Sep) | 307.9 | 4.4 | 11.9 | 16.3 | 324.2 | 5% |

The share of imported coal in the coal based thermal power plant was almost 12% of the total coal receipt during 2016-17, which has come down to about 5% since 2020-21 due to initiatives taken by the Government. However, the year 2021 has been unprecedented as the international prices of imported coal went up from about USD 60-70 per tonne (in Feb-

March, 2021) to about USD 170-200 per tonne (in Sept-Oct,2021) which affected the import of coal by imported coal based power plants thus leading to demand for more domestic coal and consequent reduction in domestic coal stocks at power plants. Accordingly, Central Electricity Authority and Ministry of Power have advised generating companies to take up import of coal for blending purpose in order to avoid any situation of critical coal stocks at power plants.”

8. The Committee note that with the desired efforts made by the Ministry of Power and the Ministry of Coal, the import of coal for blending was reduced by 56% in 2020-21. However, the year 2021 has been unprecedented as the international prices of imported coal went up which affected the import of coal by imported coal-based power plants, thus leading to demand for more domestic coal and consequent reduction in domestic coal stocks at power plants. Accordingly, the Central Electricity Authority and the Ministry of Power have advised generating companies to take up the import of coal for blending purposes in order to avoid any situation of critical coal stocks at power plants.

While the Committee urging the Ministry to learn appropriate lessons from the 2021 episode, reiterate their recommendation that the Ministry of Power and the Ministry of Coal should collaborate effectively on this issue and make concerted efforts for optimum utilization of domestic coal reserves keeping in view the basic objective of doing away with the import of coal in a phased manner. The Committee should be apprised about the strategy being followed in this regard and the outcome thereof.

(Recommendation Sl. No.3)

Speedy Development of Coal Blocks

9. The Committee, in their Report, had observed/recommended as under:

“The Committee note that a total of 65 coal blocks have been allocated to Power Sector under various Acts. Out of 65 coal blocks, 16 having Geological Reserve of 9,028 Million Tonne and Peak Rated Capacity of 152 Million Tonne Per Annum, have been allocated to Central Power Sector Public Sector Undertakings The PSU-wise breakup of allocated coal blocks is; 10 to NTPC, 2 to DVC, 1 to THDC and 3 to NLC. However, out of these 16 coal blocks allocated to CPSUs, only 5 have reached the stage of production so far. Environmental and Forest Clearances have been received for 3 coal blocks but production is yet to start. The remaining 8 coal blocks are yet to get either Environmental Clearance or Forest Clearance or both. The Committee further note that the actual production from these earmarked coal mines during the year 2020 21 has

been 7.76 MT only. The Committee are aware that the main purpose of allocation of coal mines to the Power Sector was to address the paucity of coal for the CPSUs, as Coal India Ltd. was not able to fully cater to the demand by themselves. However, the Committee find that despite the lapse of several years since the allocation of coal blocks especially to CPSUs, the pace of work is extremely slow, as most of the coal blocks are yet to be developed for excavation of coal. The various reasons which have been adduced for the delay by the Ministry are longer average time taken in obtaining Statutory clearances like Environment Clearance, Forest Clearance, delay in land acquisition, non-availability of land records, adverse law& order problems, etc. The Committee do understand that for the development of a coal block, the allottees have to deal with several issues involving other authorities/agencies. Nonetheless, the Committee are of the view that the onus of development of coal blocks within the stipulated timeline primarily lies with the allottees who remain responsible for optimal utilisation of dedicated resources. In the present case, the coal blocks allottee PSUs viz. NTPC, THDC, DVC and NLC were expected to draw a standard plan at the time of coal block allocation itself to get the necessary clearances expedited and other formalities completed in the barest minimum time so that the production could have been started and the intended objective of adequate coal supply to power plants would have been achieved. The Committee, therefore, recommend that at least now vigorous efforts be made by the allottees for expeditious and time-bound development of coal blocks in a stipulated time frame by regular follow up action with the authorities concerned. The Committee should be apprised of the action taken in this regard within three months.”

10. The Ministry, in its action taken reply, has stated as under:

“At present there are total of 64 nos. of coal blocks allotted to power sector under various acts and out of these 16 are for CPSUs. The CPSUs wise breakup of allocated coal blocks is as under:

| PSU | Number of Coal Blocks Allotted |
|------------|---------------------------------------|
| NTPC | 10 |
| NLC | 03 |
| DVC | 02 |
| THDC | 01 |

Out of these 16 blocks; 05 have reached production and 03 have applied for surrendering. Out of the remaining 08 coal blocks; two (02) are expected to start production during current financial year i.e. year 2021-22, two (02) are expected in 2022-23, three (03) expected to start production during 2023-24 and one is expected to start production in 2024-25.

A brief status along with the key pending issue is as under:

| SI No | Coal Mine/State | PSU | Expected Operationalization | Key pending issue |
|-------|--|-----------------------------|-----------------------------|---|
| 1 | Kerendari / Jharkhand | NTPC | 2022-23 | MDO Appointment is under process. |
| 2 | ChattiBariatu&ChattiBariatu (South) /Jharkhand | NTPC | 2021-22 | MDO Appointment is under process. |
| 3 | Badam/ Jharkhand | NTPC | 2023-24 | Transfer of Mining Lease to NTPC, FC Stage-II |
| 4 | Banhardih/ Jharkhand | PVUNL(JV of NTPC and JBVNL) | 2024-25 | FC Stage-I and EC |
| 5 | Tubed/ Jharkhand | DVC | 2021-22 | FC Stage-II |
| 6 | KhagraJoydev/ WestBengal | DVC | 2022-23 | Land Acquisition, R&R |
| 7 | Pachwara South / Jharkhand | NLC | 2023-24 | Environmental Clearance and Forest Clearance |
| 8 | Amelia/ West Bengal | THDC | 2022-23 | MDO Appointment is under process. |

The matter is being taken with this organization for expediting the operationalization of these mines. However, in most of the cases, the issues are pending with the State government in respect of Forest Clearance, Land Acquisition, R&R, grant of mining lease leading to delay in starting of production in the mine.

CEA continuously monitors the progress of operationalization of the coal block meant for power sector and is extending all possible support within the ambit of statutory framework in solving the issues leading to delay in operationalization of these mines. Monitoring of the coal blocks allotted to power sector is being carried out on monthly basis and important issues leading to delay are being highlighted. The reports for reviewing are sent to MoP on monthly basis based on which problems are addressed.

All the issues concerning operationalization of respective coal blocks of PSUs are being rigorously followed/pursued by CEA, MoP and respective PSUs for grant of the approval/clearances at the earliest.”

11. The Ministry has stated that the matter is being taken up with the concerned organizations for expediting the operationalization of the coal mines allocated to PSUs. However, the Committee note that in most of the cases, the issues are pending with the State Governments in respect of Forest Clearance, Land Acquisition, R&R, Grant of Mining Lease, leading to delay in starting of production in the mine.

The Committee are disappointed to note that no further progress in regard to the development of coal blocks has been made as still only 5 out of the 16 coal blocks allocated, have reached the stage of production, even though the Central Electricity Authority continue to monitor the progress of operationalization of the coal blocks meant for the Power Sector. Since most of the issues are pending with the State Governments, the Committee now desire that the matter should be taken up at the highest level to persuade the concerned State Governments to resolve the issues so that excavation work can start without any further delay. The Committee would like to be apprised of the outcomes achieved in this regard at the time of furnishing the Action Taken Statement.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (S. No. 2, Para No. 2)

The Committee note that despite substantive augmentation in generation of renewable energy and planning for its massive addition in coming years, coal will continue to be the mainstay of India's power generation in this decade. The Central Electricity Authority in its Report has made an assessment that the installed capacity of coal-based thermal power generation capacity may increase to 2,67,000 Megawatt by the year 2029-30 from the present installed capacity of 2,06,000 Megawatt, which will result in a spurt in the requirement of coal by the power sector during the present decade. The Committee are also aware that at present the coal based thermal power plants are running at only half of their capacity. However, their Plant Load Factor (PLF) may be increased in the future leading to increase in the requirement of coal for them. Moreover, the Committee are of the view that with the extensive use of advanced technologies such as Ultra Super-critical and Carbon Capture, the emission from coal-based thermal power can substantially be reduced, leading to their optimal utilization without compromising the efforts to meet targets related to climate change mitigation. The Committee, therefore, recommend that the Ministry of Power should make earnest efforts in this direction and the Committee may be apprised of the action taken by the Ministry within three months of presentation of this Report.

Reply of the Government

As per Report "Optimal Generation Mix by 2030", published by Central Electricity Authority coal based generation would contribute about 54 % in the total generation mix in 2029-30. The total coal requirement has been estimated at about 892 MT by 2029-30. Only super-critical/ultra-super-critical based coal based plants have been envisaged to be commissioned in future. The CO₂ emissions from power sector is estimated to be 1287 MT in 2029-30. The average CO₂ emission factor is likely to reduce to 0.511 kg CO₂/kWh in 2029-30 from 0.705 kg CO₂/kWh in 2017-18.

It is also mentioned that the total installed renewable energy capacity in India, excluding large hydro, has crossed the mile-stone of 100 GW.

India has submitted its Intended Nationally Determined Contributions (INDCs) in 2015, and aims to reduce emissions intensity of its GDP by 33 to 35 percent by 2030 from 2005 level and 30% installed capacity from non-fossil fuel. The country is way ahead of its target.

[Ministry of Power, O.M. No. P-8/2021-FSC, Dated: 15/11/2021]

Recommendation (S. No. 3, Para No. 3)

The Committee note that a total of 65 coal blocks have been allocated to Power Sector under various Acts. Out of 65 coal blocks, 16 having Geological Reserve of 9,028 Million Tonne and Peak Rated Capacity of 152 Million Tonne Per Annum, have been allocated to Central Power Sector Public Sector Undertakings. The PSU-wise breakup of allocated coal blocks is; 10 to NTPC, 2 to DVC, 1 to THDC and 3 to NLC. However, out of these 16 coal blocks allocated to CPSUs, only 5 have reached the stage of production so far. Environmental and Forest Clearances have been received for 3 coal blocks but production is yet to start. The remaining 8 coal blocks are yet to get either Environmental Clearance or Forest Clearance or both. The Committee further note that the actual production from these earmarked coal mines during the year 2020 21 has been 7.76 MT only. The Committee are aware that the main purpose of allocation of coal mines to the Power Sector was to address the paucity of coal for the CPSUs, as Coal India Ltd. was not able to fully cater to the demand by themselves. However, the Committee find that despite the lapse of several years since the allocation of coal blocks especially to CPSUs, the pace of work is extremely slow, as most of the coal blocks are yet to be developed for excavation of coal. The various reasons which have been adduced for the delay by the Ministry are longer average time taken in obtaining Statutory clearances like Environment Clearance, Forest Clearance, delay in land acquisition, non-availability of land records, adverse law & order problems, etc. The Committee do understand that for the development of a coal block, the allottees have to deal with several issues involving other authorities/agencies. Nonetheless, the Committee are of the view that the onus of development of coal blocks within the stipulated timeline primarily lies with the allottees who remain responsible for optimal utilisation of dedicated resources. In the present case, the coal blocks allottee PSUs viz. NTPC, THDC, DVC and NLC were expected to draw a standard plan at the time of coal block allocation itself to get the necessary clearances expedited and other formalities completed in the barest minimum time so that the production could have been started and the intended objective of adequate coal supply to power plants would have been achieved. The Committee, therefore, recommend that at least now vigorous efforts be made by the allottees for expeditious and time-bound development of coal blocks in a stipulated time frame by regular follow up action with the authorities concerned. The Committee should be apprised of the action taken in this regard within three months.

Reply of the Government

At present there are total of 64 nos. of coal blocks allotted to power sector under various acts and out of these 16 are for CPSUs. The CPSUs wise breakup of allocated coal blocks is as under:

| PSU | Number of Coal Blocks Allotted |
|------------|---------------------------------------|
| NTPC | 10 |
| NLC | 03 |
| DVC | 02 |
| THDC | 01 |

Out of these 16 blocks; 05 have reached production and 03 have applied for surrendering. Out of the remaining 08 coal blocks; two (02) are expected to start production during current financial year i.e. year 2021-22, two (02) are expected in 2022-23, three (03) expected to start production during 2023-24 and one is expected to start production in 2024-25.

A brief status along with the key pending issue is as under:

| SI No | Coal Mine/State | PSU | Expected Operationalization | Key pending issue |
|-------|--|-----------------------------|-----------------------------|---|
| 1 | Kerendari / Jharkhand | NTPC | 2022-23 | MDO Appointment is under process. |
| 2 | ChattiBariatu&ChattiBariatu (South) /Jharkhand | NTPC | 2021-22 | MDO Appointment is under process. |
| 3 | Badam/ Jharkhand | NTPC | 2023-24 | Transfer of Mining Lease to NTPC, FC Stage-II |
| 4 | Banhardih/ Jharkhand | PVUNL(JV of NTPC and JBVNL) | 2024-25 | FC Stage-I and EC |
| 5 | Tubed/ Jharkhand | DVC | 2021-22 | FC Stage-II |
| 6 | KhagraJoydev/ WestBengal | DVC | 2022-23 | Land Acquisition, R&R |
| 7 | Pachwara South /Jharkhand | NLC | 2023-24 | Environmental Clearance and Forest Clearance |
| 8 | Amelia/ West Bengal | THDC | 2022-23 | MDO Appointment is under process. |

The matter is being taken with this organization for expediting the operationalization of these mines. However, in most of the cases, the issues are pending with the State government in respect of Forest Clearance, Land Acquisition, R&R, grant of mining lease leading to delay in starting of production in the mine.

CEA continuously monitors the progress of operationalization of the coal block meant for power sector and is extending all possible support within the ambit of statutory framework in solving the issues leading to delay in operationalization of these mines. Monitoring of the coal blocks allotted to power sector is being carried out on monthly basis and important issues leading to delay are being highlighted. The reports for reviewing are sent to MoP on monthly basis based on which problems are addressed.

All the issues concerning operationalization of respective coal blocks of PSUs are being rigorously followed/pursued by CEA, MoP and respective PSUs for grant of the approval/clearances at the earliest.

[Ministry of Power, O.M. No. P-8/2021-FSC, Dated: 15/11/2021]

Comments of the Committee
(Please see Para No. 11 of Chapter – I of the Report)

Recommendation (S. No. 4, Para No. 4)

The Committee note that out of 16 coal blocks allocated to Central Sector PSUs, 8 are yet to be granted Environmental/Forest Clearance. It has been submitted to the Committee that statutory clearances like Environment Clearance, Forest Clearance, etc. took on an average 4/5 years. The Committee believe that there is an urgent need to address this issue squarely to substantially reduce the time taken in the grant of these clearances without compromising the valid environmental concerns. The Committee, therefore, recommend that the Ministry of Power should not allow this to linger indefinitely and must play a proactive role in the resolution of issues pertaining to grant of such clearances so that the unnecessary delays in this process are avoided.

Reply of the Government

Environmental Clearance and Forest Clearance have been granted to 03 nos coal blocks (Kerendari, ChattiBariatu&ChattiBariatu South of NTPC and KhagraJoydev of DVC). EC & FC have not been granted in 02 nos of coal blocks (Banhardih of NTPC and Pachwara South of NLC). EC granted but FC pending for 02 nos (Badam of NTPC and Tubed of DVC).

Review meetings have been taken at the level of Secretary (Power) on 05.07.2021 for the progress of Coal Mines allotted to Power Sector and on 06.09.2021 of Producing Captive Coal mines.

A meeting was held on 22.09.2021 amongst Hon'ble Minister of Power, Coal and Environment & Forests regarding the issues relating to Captive Coal Blocks. Based on the decision taken in the meeting, Secretary (Power) vide letter dated 30.09.2021 requested Secretary (MoEF& CC) to expedite the requisite clearances pending with MoEF& CC and also taken up the issues pending with the Forests Department of State Government.

Further, Secretary (Power) has reviewed the issues pending with the State Government which lead to delay in starting of production in the mine. In this regard, review meeting held on 24.09.2021 with Chief Secretary (Madhya Pradesh) for development of Amelia Coal Mines and review meeting held on 01.11.2021 with Chief Secretary (Odisha) for development of Naini Coal Mines and time for the meeting has been sought by Chief Secretary (Chhattisgarh).

Hon'ble Minister has also reviewed the status of Captive Coal Mines on 30.09.2021. A review meeting on 25.10.2021 has been taken by Secretary (Power) for development of Coal Mines in Jharkhand.

Ministry of Power extends all possible support in resolution of issues pertaining to grant of clearances for coal blocks / resolving issues by holding reviews of coal blocks regularly and by taking up the issues with Ministry of Coal, MoEF&CC and State Government etc.

[Ministry of Power, O.M. No. P-8/2021-FSC, Dated: 15/11/2021]

Recommendation (S. No. 5, Para No. 5)

The Committee are also aware that the Ministry of Environment and Forest have recently launched Pro-Active Responsive facilitation by Interactive and Virtuous Environmental Single Window Hub (PARIVESH), a single-window Integrated System for Environment, Forest, Wildlife and Coastal Regulation Zone (CRZ) clearance processes, wherein they will be able to capture delay at the district/Central agency level. The Committee laud this much-awaited initiative and hope that such initiatives will be able to streamline the process of granting clearances timely. The Ministry of Power should take advantage of this hub for securing all their environmental clearances.

Reply of the Government

Launching of PARIVESH portal; Pro-Active Responsive facilitation by Interactive and Virtuous Environmental Single Window Hub by Ministry of Environment and Forest is helping the clearances to be granted on time. By knowing the PARIVESH portal no. and after searching the status online, alert is given at important stages to the concerned officer to check for the delays, if any. However, it was observed that at the District level in the States, necessary updation is not being done on time. Accordingly, MoEF&CC has been requested to avoid any time lag in updation of information on PARIVESH portal. There is Sub-Group of Sectoral Group of Secretaries on Resources, headed by Joint Secretary of MoEF&CC to look into operational issues of PARIVESH portal.

[Ministry of Power, O.M. No. P-8/2021-FSC, Dated: 15/11/2021]

Recommendation (S. No. 6, Para No. 6)

The Committee note that the review of mines allotted to Central Public Sector Enterprises (CPSEs) under the Ministry of Power i.e. NTPC, Damodar Valley Corporation (DVC) and THDC India Limited is done in the Quarterly Performance Review (QPR) meetings taken by the Secretary (Power). Further review meetings were also held in the Ministry of Power for review of the development of coal blocks allotted to the power sector on 15.03.2019, 07.10.2020, 27.11.2020 and 17.12.2020. The review meetings are also undertaken annually by Central

Electricity Authority (CEA) for the development of the coal blocks. The Committee note that the Ministry of Power is regularly reviewing the status of mines allotted to CPSEs. However, it is disconcerting that despite all these review meetings, the pace of development of the allocated coal blocks remains tardy. It is no doubt a fact that the development of coal blocks is a complex process, involving multiple agencies/authorities. As it also involves the local administration, State Government and other Ministries/ Departments, the Committee are of the view that the CPSEs alone may find it difficult to resolve. It is, therefore, necessary that the Central Electricity Authority and the Ministry of Power should take the lead and provide all necessary assistance to these CPSEs, coordinating with the respective State Governments/Local Authorities to thresh out the issues without resorting to needless procedures or red tape and expedite the development of coal blocks.

Reply of the Government

Regular progress of coal blocks are being monitored in MoP and CEA.

Review meetings have been taken at the level of Secretary (Power) on 05.07.2021 for the progress of Coal Mines allotted Power Sector with States, IPPs & NLC and on 06.09.2021 of Producing Captive Coal mines .

A meeting was held on 22.09.2021 amongst Hon'ble Minister of Power, Coal and Environment & Forests regarding the issues relating to Captive Coal Blocks. Based on the decision taken in the meeting, Secretary (Power) vide letter dated 30.09.2021 requested Secretary (MoEF& CC) to expedite the requisite clearances pending with MoEF& CC and also taken up the issues pending with the Forests Department of State Government.

Further, Secretary (Power) has reviewed the issues pending with the State Government which lead to delay in starting of production in the mine. In this regard, review meeting held on 24.09.2021 with Chief Secretary (Madhya Pradesh) for development of Amelia Coal Mines and review meeting held on 01.11.2021 with Chief Secretary (Odisha) for development of Naini Coal Mines and time for the meeting has been sought by Chief Secretary (Chhattisgarh).

Hon'ble Minister has also reviewed the status of Captive Coal Mines on 30.09.2021. A review meeting on 25.10.2021 has been taken by Secretary (Power) for development of Coal Mines in Jharkhand.

Matters are being taken with State Government/Local Authorities on case to case basis. MoP and CEA are extending all possible support with the ambit of statutory framework to expedite the operationalization.

[Ministry of Power, O.M. No. P-8/2021-FSC, Dated: 15/11/2021]

Recommendation (S. No. 7, Para No. 7)

The Committee find that the Central PSUs and other power sector entities were allocated coal blocks to fulfil their need for coal and lessen the burden of Coal India Ltd. for the coal supply. The Committee also find that these Power Sector Undertakings had no previous experience in the field of coal mining but they applied for these coal blocks, as there was a shortage of coal. Since the development of coal blocks and mining is a complex matter requiring expertise not entirely available with the CPSU, the Committee would urge the Ministry of Coal also to step in and try to do hand holding of the CPSUs who have been allocated coal mines but are unable to develop and utilise them. The Committee desire that both the Ministries, Power and Coal should work in tandem in this matter and jointly formulate a strategy and evolve a specialised mechanism or a Special Purpose Vehicle (SPV) within the ambit of each such CPSU who have not been able to develop and utilise these earmarked coal blocks.

Reply of the Government

Ministry of Coal has informed that

- i. Provision for appointment of MDO: Provision has been provided in the Coal Mine Development and Production Agreement/Allotment Agreement executed between Ministry of Coal and allocates to enter into an agreement with any contractor in relation to mine operations can appoint Mine Development Officer (MDO) through transparent competitive bidding process to carry out the mining activities on behalf of allocates from any obligations under the Agreement.
- ii. Project Management Unit: A Project Management Unit (PMU) has been appointed by the Ministry of Coal and entrusted with task of hand holding of coal block allottees for obtaining various approvals/ clearance for early operationalization of coal mines. PMU visits concerned Central and State Government Officials to facilitate grant of clearances. PMU submit its Report from time to time for which reviews are done regularly.

NTPC incorporated NTPC Mining Limited (NML), a wholly-owned subsidiary company, in Aug'19, for carrying out its mining business with an aim to have focused management to achieve timely development of the mines & efficient operations with effective handling of the contracts. The mines allotted to NTPC are in the process of getting transferred to NML.

[Ministry of Power, O.M. No. P-8/2021-FSC, Dated: 15/11/2021]

CHAPTER-III

OBSERVATION/RECOMMENDATION WHICH THE COMMITTEE DO NOT
DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY

-NIL-

CHAPTER-IV

OBSERVATION/ RECOMMENDATION IN RESPECT OF WHICH THE REPLY OF THE GOVERNMENT HAS NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Recommendation (S. No. 1, Para No. 1)

The Committee note that as per the Annual National Inventory for coal and lignite, circulated by the Geological Survey of India, the total coal resource of the country is 344.02 billion tonnes. At the present rate of excavation of coal in the country, which is around 729 million tonnes annually, this reserve can last for more than 400 years. Due to the growing environmental concerns and commitments of our country at various global fora and also increasing focus on renewable energy, it is obvious that most of our coal reserves may not be ever utilized. The Committee also observe that despite having mammoth coal reserves in our country, it is a paradox that we have been importing a substantial amount of coal. The share of imported coal, in some years, has been as high as 16-17 % of the total coal receipt. The reason adduced by the Ministry for import of coal is that imported coal is of superior quality, some plants are designed for use of imported coal while some others require it for blending purpose, etc. The Committee are of the considered view that import of coal should be done away with in a phased manner, as we have more than enough coal reserves to fully cater to meet our demand. The Committee are also aware that the quality of indigenous coal can be enhanced to a great extent and the design of boiler of power plants can be modified to enable them to run on domestic coal. The Committee feel that there is a need for the formulation of a clear-cut policy that is not only in consonance with the idea of 'Atmanirbhar Bharat' but also helpful in achieving the energy security of the country and providing affordable power for the common man. The Committee, therefore, recommend that the Ministry of Power and the Ministry of Coal should collaborate on this issue with utmost seriousness and make concerted efforts for optimum utilization of domestic coal reserves.

Reply of the Government

Power plants designed on imported coal import coal to meet its fuel requirement. Further, plants designed on domestic coal also import coal for blending purposes in view of their cost-economics.

With the increased availability of domestic coal, Govt. has taken initiative to substitute imported coal used for blending purposes with domestic coal. Ministry of Power in April 2020 advised generating companies who were importing coal for blending purpose to make best efforts to replace their imports with domestic coal. Further, Ministry of Coal in May 2020 constituted an Inter Ministerial Committee (IMC) for the purpose of substitution of imported coal and to suggest measures to eliminate substitutable coal import. During 2020-21, Coal India Limited (CIL) offered domestic coal to power plants for substituting imported coal used for blending purpose.

With the concerted efforts of Ministry of Power (MoP), Ministry of Coal (MoC), CIL, Central Electricity Authority (CEA) and power plants, the import of coal for blending has reduced to 10.4 MT in 2020-21 vis-à-vis 23.8 MT during 2019-20 resulting in reduction of about 56%. Further, the power plants designed on imported coal imported 35.1 MT during 2020-21 vis-à-vis 45.5 MT during previous year resulting in reduction of about 23%.

The total import by power plants has reduced by about 34% in 2020-21 as compared to 2019-20. The receipt of domestic and imported coal (for blending purpose and for the plants designed on imported coal) during last five years and current year 2021-22 (Apr-Sep) are as under:

| Year | Coal Receipt (In Million Tonnes) | | | | | Share of Imported coal in total receipt (%) |
|-------------------|----------------------------------|------------------|--------------------------------|--------------|---------------|---|
| | Domestic Receipt | Imported Receipt | | | Total Receipt | |
| | | For Blending | For Imported coal based plants | Total Import | | |
| 2016-17 | 494.9 | 19.8 | 46.3 | 66.1 | 561 | 12% |
| 2017-18 | 538.6 | 17 | 39.4 | 56.4 | 595 | 9% |
| 2018-19 | 582.1 | 21.4 | 40.3 | 61.7 | 643.8 | 10% |
| 2019-20 | 569.5 | 23.8 | 45.4 | 69.2 | 638.7 | 11% |
| 2020-21 | 550.8 | 10.4 | 35.1 | 45.5 | 596.3 | 8% |
| 2021-22 (Apr-Sep) | 307.9 | 4.4 | 11.9 | 16.3 | 324.2 | 5% |

The share of imported coal in the coal based thermal power plant was almost 12% of the total coal receipt during 2016-17, which has come down to about 5% since 2020-21 due to initiatives taken by the Government. However, the year 2021 has been unprecedented as the international prices of imported coal went up from about USD 60-70 per tonne (in Feb-March, 2021) to about USD 170-200 per tonne (in Sept-Oct,2021) which affected the import of coal by imported coal based power plants thus leading to demand for more domestic coal and consequent reduction in domestic coal stocks at power plants. Accordingly, Central Electricity Authority and Ministry of Power have advised generating companies to take up import of coal for blending purpose in order to avoid any situation of critical coal stocks at power plants.

Comments of the Committee
(Please see Para No. 8 of Chapter – I of the Report)

CHAPTER-V

OBSERVATION/ RECOMMENDATION IN RESPECT OF WHICH THE FINAL
REPLY OF THE GOVERNMENT IS STILL AWAITED

-NIL-

**New Delhi
26th July, 2022
Sravana 4, 1944 (Saka)**

**Rajiv Ranjan Singh *alias* Lalan Singh,
Chairperson,
Standing Committee on Energy**

APPENDIX-I

**MINUTES OF THE THIRTEENTH SITTING
OF THE STANDING COMMITTEE ON ENERGY (2021-22)
HELD ON 26th JULY, 2022 IN HON'BLE CHAIRPERSON'S CHAMBER, ROOM
NO. 111, PARLIAMENT HOUSE ANNEXE EXTENSION, NEW DELHI**

The Committee sat from 1530 hours to 1615 hours

MEMBERS

LOK SABHA

Shri Rajiv Ranjan Singh alias Lalan Singh - Chairperson

2. Shri Gurjeet Singh Aujla
3. Shri Sanjay Haribhau Jadhav
4. Dr. A. Chellakumar
5. Shri Sunil Kumar Mondal
6. Shri Ashok Mahadeorao Nete
7. Shri Velusamy P.
8. Shri Gyaneshwar Patil
9. Shri Bellana Chandra Sekhar
10. Shri Shivkumar C. Udasi

RAJYA SABHA

11. Shri Ajit Kumar Bhuyan
12. Shri Rajendra Gehlot
13. Shri Muzibulla Khan
14. Shri Maharaja Sanajaoba Leishemba
15. Shri S. Selvaganabathy
16. Dr. Sudhanshu Trivedi

SECRETARIAT

- | | |
|------------------------------|---------------------|
| 1. Dr. Ram Raj Rai | Joint Secretary |
| 2. Shri R.K. Suryanarayanan | Director |
| 3. Shri Kulmohan Singh Arora | Additional Director |

2. At the outset, the Chairperson welcomed the Members and apprised them about the agenda of the sitting. The Committee then took up for consideration and adoption the following draft Reports:

- (i) Report on the subject 'Review of Power Tariff Policy - Need for uniformity in tariff structure across the Country'.
- (ii) Report on the subject 'Evaluation of Wind Energy in India'.
- (iii) Report on action-taken by the Government on observations/recommendations contained in Seventeenth Report (17th Lok Sabha) on the subject 'Action Plan for Achievement of 175 GW Renewable Energy Target'.
- (iv) Report on action-taken by the Government on observations/recommendations contained in Eighteenth Report (17th Lok Sabha) on the subject 'Development of Coal Blocks allocated to Power Sector Companies'.
- (v) Report on action-taken by the Government on observations/recommendations contained in Nineteenth Report (17th Lok Sabha) on the subject 'Delay in Execution/Completion of Power Projects by Power Sector Companies'.

3. After discussing the contents of the Reports, the Committee adopted the aforementioned draft Reports without any amendment/modification. The Committee also authorized the Chairperson to finalize the above-mentioned Reports and present the same to both Houses of the Parliament.

The Committee then adjourned.

APPENDIX-II

(Vide Introduction of Report)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE EIGHTEENTH REPORT (SEVENTEENTH LOK SABHA) OF THE STANDING COMMITTEE ON ENERGY

| | | |
|-------|---|--------|
| (i) | Total number of Recommendations | 7 |
| (ii) | Observations/Recommendations which have been accepted by the Government: | |
| | Sl. Nos. 2,3,4,5,6 and 7 | |
| | Total: | 6 |
| | Percentage | 85.71% |
| (iii) | Observation/ Recommendation which the Committee do not desire to pursue in view of the Government's reply: | |
| | - Nil - | |
| | Total: | 00 |
| | Percentage | 00% |
| (iv) | Observation/ Recommendation in respect of which the reply of the Government has not been accepted by the Committee and which require reiteration: | |
| | Sl. No. 1 | |
| | Total: | 01 |
| | Percentage | 14.29% |
| (v) | Observation/Recommendation in respect of which final reply of the Government is still awaited: | |
| | - Nil - | |
| | Total: | 00 |
| | Percentage | 00% |