



सत्यमेव जयते

File No. FU-21/2020-FSC (Vol-IV)

Government of India

(भारतसरकार)

Ministry of Power

(विद्युतमंत्रालय)

**Shram Shakti Bhawan, Rafi Marg,
New Delhi, dated the 01st September, 2023**

To

- I. Principal Secretaries/Secretary (Power/Energy) of all State Governments/ UTs**
- II. 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 maximizing production in captive coal mines — reg.

Sir/Madam,

As you are already aware Ministry of Power had issued an advisory dated 09.01.2023, regarding mandatory blending of imported coal @ 6% (by weight) till September '23. The position has been reviewed. It is observed that along with the growth of the economy, power demand in the country is witnessing a robust growth when compared to any previous year. The demand has been hovering above 200 GW in almost all the days of the month of August '23 and touched the highest ever peak demand of 236.6 GW, which is around 21% higher than the peak demand in August '22. In the light of the continuous high gap between receipt of domestic coal and total consumption at Domestic Coal Based (DCB) plants, a realistic assessment of availability of coal at DCB plants from all sources has been done. It has been noted that despite the increase in domestic coal supply during Q1 of FY 23-24, it fell short of meeting the requirement. During the month of August, 2023, the gap between coal consumption at DCB plants and receipt of domestic coal has been about 2 Lakh Tonnes/day. The gap was partly made up with import of coal without which coal stock would have declined to critical levels. Though Ministry of Railways is making progress in resolving infrastructural issues, yet there are some bottlenecks which may take some more time to resolve. Grid India has projected continuation of elevated power demand levels throughout the current fiscal year. In line with this, the Central Electricity Authority (CEA) has estimated a domestic coal requirement for H2 (October, 2023 to March, 2024) of FY 23-24 of about 404 MT. However, due to various logistical constraints associated with Railway network the availability of rakes during H2 of FY 2023-24 will be sufficient for loading and dispatch of only 397 MT of domestic coal.

2. In the light of above scenario where energy demand is increasing and increase in supply of coal is not commensurate with the coal requirement, the need has arisen to continue use of imported coal for blending purpose. Accordingly, after consultation with CEA, it has been decided to extend the advisory dated 09.01.2023 by modifying the mandatory blending to 4% (by weight) for the remaining period of FY 23-24. The Central, State GENCOs and IPPs are directed to take necessary action / plan to import coal for blending at the rate of 4% (by weight) through a transparent competitive bidding process till 31st March, 2024, so as to have comfortable coal stocks at their power plants for smooth operations. Further, the shortfall in domestic coal supply will be shared with all GENCOs on pro rata basis.
3. While determining the share of domestic coal to be supplied to the GENCOs from CIL/SCCL, it will be ensured that their respective Pit-Head Stations are provided 100% of their domestic coal requirement. In case of adequate availability of domestic coal, GENCOs should avoid using imported coal at their Pit-Head stations.
4. Import of coal for blending purpose needs to be done by all GENCOs to avoid logistics constraints at Ports and Railways.
5. This issues with the approval of Hon'ble Minister of Power & NRE.

Yours Faithfully,



(Anoop Singh Bisht)

Deputy Secretary to the Government of India

Ph. 011-23752497

Email: anoopsingh.bisht@nic.in

@Endorsement

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Copy to,

1. **Secretary, Ministry of Coal**
2. **Chairman, Railway Board**
3. **Chairman, Central Electricity Authority**
4. **Secretary (CERC)/All SERCs**



(Anoop Singh Bisht)

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Email: anoopsingh.bisht@nic.in

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