Coal Preparation Society of India

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Use Coal Responsibly

DECEMBER, 2016

A seasoned administrator Mr. Susheel Kumar (1982 IAS) has taken over as Secretary (Coal). Mr. Susheel Kumar brings with him deep knowledge and wealth of experience of handling climate change issues and concerns arising from increasing CO2 emissions. His hands-on experience and knowledge about the importance of clean coal technologies will surely give a boost to setting up of coal washeries in the country. CPSI extends a



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Susheel Kumar

hearty welcome to Mr. Susheel Kumar into the coal family.

- The Australia-India Council has approved a grant of USD 30,000 for studying subsidence prediction in long-wall underground coal mining. This study is led by the Royal Melbourne Institute of Technology in association with Indian research institutes working on the subject. Objective of the study is accurate subsidence prediction for various mining situations including multi-seam extraction of coal deposits.
- Government is reported to be working on setting up an equity fund of up to \$2 billion for renewable energy companies to tap into to help New Delhi meet its clean energy goals. A few large public and private sector energy companies are likely to pool in their resources to start this fund, which will help in accelerating capacity creation in renewable energy sector. *Reuters*
- New ultra mega power projects (UMPPs) based on imported coal may be insulated from uncertainties in fuel costs, with the power ministry deciding to factor in indexed imported coal prices into tariff for such plants. The ministry is reported to be considering use of index based prices of imported coal from Indonesia, South Africa etc, for calculation of electricity tariff from such plants. *Economic Times*.
- According to recent World Bank report titled 'Utility scale DSM opportunities and business models in India' the success of UJALA has reinforced stakeholder confidence in the promise of DSM (demand side management) and re-established the utility DSM market potential of Rs 1.6 lakh crore by considering the end use energy efficiency opportunities alone. The report has further stated that the residential end use appliances, agriculture/irrigation pumping and municipal infrastructure are the top three DSM markets contributing to this potential.
- With the enforcement of the Paris agreement on climate change with effect from 4th November 2016, all governments that have ratified the accord, which includes the US, China, India and the EU, now carry an obligation to hold global warming to no more than 20 C above pre-industrial levels. That is what scientists regard as the limit of safety, beyond which climate change is likely to become catastrophic and irreversible.
- According to the World Coal Association for many countries, coal will continue to play a significant role in economic development, industrialisation and urbanisation. For the Paris agreement to be realised, we need to support those countries that are committed to lower emission coal technology, such as high-efficiency plants. We cannot wish coal away as fossil fuel industries see continued opportunities for development within a low-carbon world.
- Bloomberg reported that falling coal stockpiles at Indian power plants could stoke demand for the fuel supplied by Coal India Ltd., helping spur output that has slipped year-on-year for the past three months.
- Coal India's October production of 43.51 million tonnes was 84% of its target for the month, while shipments at 43.04 million tonnes were 90% of the goal. The 274 million tonnes of production during

the first seven months of the fiscal year to March 2017 is less than half the 599 million tonnes target for the year. *Bloomberg*

- Kandla Port has put up an impressive growth in cargo handling in recent years. The port handled 92.50 mt of cargo in 2014-15 and followed it up with 100.05 mt in 2015-16, registering an 8.1% growth year-on-year. In 2016-17, the port is expected to handle about 106 mt of cargo. Cargo projections for the next few years stand at 120.50 mt for 2020 and 150.60 mt for 2025. The largest component of cargo throughput is POL, followed by thermal coal (unloading), fertilisers, vegetable oil, salt, timber log, food grains, etc. *India Coal Market Watch*
- PTI reported that coal imports fell 13.7 per cent to 15.59 mt (including 15.59 mt thermal coal) in October due to higher prices of coal fuel in the international market. The country had imported 18.08 mt in October last year. *mjunction services*
- According to the International Energy Agency's 2015 report, coal will continue to be an essential part of the world's energy mix. It will make up 10% of the increased energy demand by 2040, largely due to demand in India and Southeast Asia.
- There is an assumption that we can get rid of coal, and only by getting rid of it can we meet climate objectives. This is false. Coal plays a critical role in the world's energy mix and is going to do so for a very long time to come. We all have one goal to reduce emissions and the World Coal Association (WCA) has long recognised this objective. Coal is not the problem, emissions are. In order to reduce emissions and get us on the pathway to achieving the Paris Agreement's well below 2 degree target, high efficiency low emissions (HELE) and carbon capture and storage (CCS) technologies must be encouraged.
- Economic Times reported that Coal India (CIL) is all set to take advantage of a 60 per cent rise in international coal prices this year and has started targeting coastal power companies' that heavily depend on imported coal. As international prices stand today, a mix of high and low grade coal is available at a substantial discount than imported prices. It would be economically viable for these coastal firms to buy go for coal supplied by CIL. In most cases the landed price of imported coal is higher than coal supplied by CIL at ports.
- 15 new coal washeries would be set by CIL and its subsidiaries, out of which 9 are for beneficiation of non-coking coal with an aggregate capacity of 94 Mty (75.5 Mty in 1st phase) to increase the washed coal supply, said Piyush Goyal, Minister of State (IC), Power, Coal, New and Renewable Energy and Mines, in a written response to the Lok Sabha. Minister further said that the setting up of coal washeries is a continuous activity and various washeries have already been planned by CIL and other firms. All efforts will be made to complete the coal washeries by September next year. These washeries will help to enhance the supply of non-coking coal with less than 34% ash for power industries, ensure improved efficiency and less generation of solid waste and air pollutants at power plants, he added.
- Coal India has already auctioned 22.14 million tonnes of coal linkages since the beginning of fiscal year 2017 until October, reports CNBC. The figure represents an increase of 10 million tonnes compared to the same period last year. Linkages were attributed to companies on non-regulated sectors like cement and sponge iron.
- According to the Ministry of Coal, India is expected to consume 884.87 million tonnes of coal during year 2016-17. Of which, 598.73 million tonnes will be consumed by power utilities, 91.11 million tonnes by captive power plants, 34.37 million tonnes by the cement sector, 24.05 million tonnes by the sponge iron sector, and the balance by others.