

Goods and Services Tax (GST), India's biggest tax reform that came into effect from 1st July 2017 was launched at midnight of 30th June at Parliament's historic Central Hall, by President Pranab Mukherjee and Prime Minister Narendra Modi. With the stroke of the gong, current tax rates are replaced by GST rates. GST, which replaces a slew of indirect taxes with a unified tax, is set to dramatically reshape the country's 2 trillion dollar economy.

✓ Coal Minister Mr Piyush Goyal is reported to have said that NTPC, BHEL and private power producers have been asked explore technological solutions to ease India's dependence on imported coal, which currently costs INR 1 lakh crore a year, especially as the country has ample stocks of the fuel.

CPSI view : Quality of imported coal is the main reason. Coastal plants have been designed on high heat value low ash content coal. If domestic coal is to be used, it must be washed to bring down the ash content and make it suitable for use in these power plants.

✓ In its Draft National Energy Policy, NITI Aayog has suggested splitting the seven existing subsidiaries of Coal India Limited to foster more competition and improve coal supply efficiencies. NITI Aayog has also suggested for comprehensive reforms in allocating coal blocks on commercial lines to independent companies specialised in coal mining and at the same time allow them to compete against one another in an open coal market. And progressively fresh production from new mines ought to come from private sector. It said "these two steps will replace the current system of administrative allocation of coal by a vibrant coal market with prices performing the function of allocation. It will bring about substantial reduction in coal price and our coal industry will emerge as an exporter of coal."

✓ Not able to withstand any further losses, Tata Power has written to the central government proposing to sell 51 per cent equity of its ailing asset for a nominal fee of Re 1, citing challenges faced by the company since Indonesian coal prices doubled. Similar proposal is reported to have come from Adani's Mundra power plant.

✓ Closure of a 34-kilometer stretch of railway track between Dhanbad and Chandrapura in Jharkhand has affected coal supplies power plants in West Bengal, Odisha, Punjab, Haryana, UP and those of Damodar Valley Corporation. The development has affected movement of 42,000 tonnes of coal per day and 2,400 megawatt of power generation capacities. ET Report

✓ In its endeavor to achieve energy self sufficiency, Botswana Oil has launched a tender for a coal-to-liquid project. According to the statement released, Botswana Oil wants a company capable of providing a bankable feasibility study, design, finance, construct, own, operate and maintain a coal to liquids plant. The India Times.

✓ Power plants currently under the long-term power purchase agreement regime, are reported to have asked Coal India for a 12-month e-auction calendar meaning that they must provide for power generation whenever needed or face a penalty.

✓ The US DOE has announced allocation of \$ 3 million for research aimed at producing saleable rare earth elements (REEs) from domestic coal and coal byproducts. In addition, DOE has announced the availability of an additional US\$3.95 million for projects in three new topic areas to accelerate separation and extraction processes for REEs.

✓ The Andhra Pradesh Mineral Development Corporation Ltd (APMDC) has assigned MECON the task for getting the Hydrology and Hydro-geological report prepared for its Madanpur South Coal Block project in Korba district of Chhattisgarh.

✓ South Eastern Coal fields Ltd is setting up the 5.0 MTPA Baroud Coal Washery in Raigarh district of Chattisgarh. The Washery will be set up on Build-Operate-Maintain (BOM) basis. According to the company, this is in line with the Central Government decision to transport coal above G10 level only after being washed from October 1, 2017. The decision is taken to tackle the quality issue of the coal produced.

✓ The World Coal Association (WCA) has signed on to the United Nations Global Compact, the world's largest and most widely embraced corporate citizenship initiative. With this action, WCA joins thousands of members globally, and confirms WCA's commitment to sustainable development.

✓ According per published data, there are more than 1000 high efficiency, low-emission (HELE) electricity generating units currently delivering reliable and affordable electricity around the world and more than 1200 planned, or under construction.

✓ At the behest of Steel Ministry, Coal India Limited (CIL) has agreed to set up 12 coking coal washeries to augment supplies to domestic steel mills. In view of the new National Steel Policy, which envisages ramping up India's steel production to 300-million tons a year by 2030, the Steel Ministry had prodded its counterparts in the Coal Ministry to push CIL in taking "quick decisions" on setting up the washeries.

CPSI view : This is a very positive development. CPSI has been persistently pleading for washing and utilisation of this scare resource in steel mills rather than burning in power plant boilers. Once this is implemented all Low Volatile Medium Coking (LVMC) coal production of which is over 50 million tonnes per year will find gainful utilisation as coking coal. We can only hope that this happens early.

✓ According to a study by BP, coal consumption fell by 1.7 percent in 2016, the second consecutive year of falls. Demand for coal in China dropped to its lowest amount in six years. Meanwhile, coal assets continue to attract attention, suggesting that coal producers are still confident that demand will remain strong in the coming years. Interest in coal assets remains high even as demand falls across the globe, reports Economic Calendar.

✓ The Hindu Business Line has reported that Coal India plans a joint venture with Paradip Port to sell blended coal at the consumer's requirement. Power stations normally acquire coal from Coal India through linkages. However, since the coal produced in India is mostly of low calorific value and high ash content, utilities blend it with high value coal in order to achieve better results in terms of emissions. Under the proposed joint venture, coal will be carried to the Paradip Port, blended according to the utilities' preferences, and then shipped from there.

✓ PTI reported that India may become a power surplus country in the current fiscal as the energy shortage and peak power deficit was already less than 1 per cent in April with many states reporting nil electricity deficits. According to the load generation balancing report of the Central Electricity Authority for 2017-18, "All India power supply position indicates that the country is likely to have a peak surplus of 6.8 per cent and energy surplus of 8.8 per cent."

This is a just statistical statement. The fact remains that over 250 million people in India have no access to electricity. Irony of the whole story is that for CEA the 'demand' of power is what Discoms buy or place demand for and not what the country as whole needs.

✓ PTI reported that as many as 295 coal-based power plants have got more time of two to four years to meet strict new environment norms which were to be implemented by December 2017. In November, the environment ministry brought in tougher norms relating to emissions of water, particulate matter, SO₂, NO_x and mercury for coal-based thermal power plants.

✓ Economic Times reported that government companies are poised to play a crucial role in the revival of stressed power plants by acquiring them or enabling their lenders to operate them on contract. Once converted into public assets, the private projects will resolve issues of lack of fuel, funds or even power purchase agreements. The National Tariff Policy, amended in January last year, allows state-run power generation companies to sign PPAs with discoms without tariff bidding. PSUs are also entitled to coal blocks and coal supply from Coal India on nomination basis.

✓ Coal India has revived the agenda of closing down loss-making mines to cut operational expenses. It recently identified 65 loss-making mines for closure. Approximately 40,000 workers, roughly 13 per cent of the total (309,455), employed in these mines will be redeployed.

✓ In the wake of US President Donald Trump's decision to withdraw from the Paris climate change accord, Prime Minister Narendra Modi assured the French President Emmanuel Macron to "continue working above and beyond" the Paris Agreement on climate change. Saying that the accord represented 'sanjhi virasat' (shared heritage) of the whole world, Modi said India believed protection of the environment is an article of faith and part of an ancient tradition that respects nature.