

Coal Preparation Society of India

<u>Issue : 7</u>

'Use of washed coal is the first step on the ladder towards adoption of clean coal technologies'

• The government is likely to extend December 2017 deadline for coal-fired power stations to meet stricter emission norms, allowing time for them to undertake necessary retrofitting / replacing them with modern units that release much less particulate and gaseous pollutants into the air. Industry estimates put the cost of retro fitting art Rs. 1.50 crore per megawatt.

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- Coal India wants to introduce new features to its e-auctions to broaden demand, reports Financial Express. The company will allow utilities to lift coal beyond one year after the purchase, against the current limit of six months, which will make companies book larger volumes and help bringing new buyers to the scheme.
- Japanese government is moving ahead with its plans to build up to 45 new coal fired power stations. The power plants will utilise high efficiency, low emissions (HELE) technology that use high-quality black coal. After the Fukushima nuclear disaster in 2011, Japan started importing more liquefied natural gas (LNG) from Australia, but still prefer to move to more coal fired power was because coal was cheaper than LNG, and the energy security was priority for the government.
- Government will open the coal market to commercial mining in 2017-18, reports CNBC. According to Coal Secretary Susheel Kumar, four mines will be allocated for commercial mining. The mines are part of the 25 mines that will be granted by the Union government during 2017-18, including 2 to be allotted and 23 to be auctioned. Mines granted for commercial use will be explored by private companies and will have no defined end use.
- Economic Times reported that the Ministry of Power has extended by three years a clause whereby companies inviting bids for boilers and turbine generators of super critical projects need to incorporate a condition of setting up of phased indigenous manufacturing facilities. Central Electricity Authority said that the period of advisory had expired on October 2015 and the ministry has now extended it by three more years with minor changes in the guidelines.
- According to Central Electricity Authority data capacity utilisation of Indian coal-fired power plants has risen to 60.5 per cent in December, 16 from a low of 52 per cent in August, 16, a significant growth after years of decline. Plants owned by states saw capacity utilisation jump almost 18.5 per cent during the same period in 2016 against a small 5.7 per cent growth in the corresponding previous period.
- After suspending operations at its Benga mine in Mozambique in May last year, SAIL led consortium, International Coal Ventures (ICVL), will soon restart the mine hoping that it will be able to recover variable costs and make some profits as coking coal prices are running high.
- BankTrack, a network of NGOs that monitors the financing of activities with negative environmental impacts, has called on the World Bank and the Japan Bank for International Cooperation to cease financing the Batang coal power project in Indonesia, for example. BankTrack has reported on foreign financiers pulling out of projects in other Asian countries like Bangladesh. It also reported that major banks, such as the Bank

of America, have unveiled new policies in the past year to reduce exposure to coal mining companies.

- Shri Piyush Goyal Minister Incharge of Power, Coal, Renewable Energy and Mines has reaffirmed that Coal as a fuel for power generation is as important as renewable sources as it is essential to maintain the country's base load. He said the government is, however, working to make coal a cleaner fuel by replacing old plants with newer ones. Shri Goyal said without a base load of coal-based capacity, it would be difficult to add anymore renewable capacity. Base load is ideally the power that could be provided to consumers when energy from renewable sources cannot be generated.
- The government's collections from the clean environment cess imposed on coal, lignite and peat in 2010 are likely to touch Rs 54,336 crore by March, according to a finance ministry document. However, only Rs 9,021 crore, or about 17% of the expected total, has been spent through the National Clean Energy Fund (NCEF) to which Rs 25,810 crore has been transferred from the amount collected.

R & D in new and cost effective coal washing technologies is a highly neglected area. CPSI urges upon the Government to allocate a part of cess collected to support setting up of new coal washeries as well as R & D efforts in development of cost effective Indian coal specific washing technologies.

• Since India currently meets around 70 percent of its coking coal needs through imports, in order to alleviate steelmakers' production costs, Ministry of Steel wants reduction in coking coal import duty, reports CNBC. The Indian Steel Association has also made a similar request.

CPSI has time and again been reminding the government to make use of Low Volatile Medium Coking Coal, over 50 million tonne annually of which is being burnt in power plants. This coal can yield about 16 to 18 mt of good metallurgical coking coal after washing. All we need to set up some 10 coal washeries on war footing and utilise this coal in steel plants. Glaring example is Tata Steel, which is utilizing its entire 7 million tonnes production of LVMC coal in its own steel plant.

- NTPC has commenced production from its captive coal mine in Jharkhand. Finance Minister Arun Jaitley and Jharkhand Chief Minister Raghubar Das, at a function held in Ranchi, flagged off the rake carrying the first consignment of coal produced by the company from its Pakri Barwadih mine in the state.
- Power plants across the country have reduced their coal stockpiles by half during April-December 2016 period. As per CEA data power plants have liquidated their coal stocks down to 20 million tonnes as on January 01, 2017 from 39 mt as on April 1, 2016.
- With the aim of enhancing the efficiency in utilisation of domestic coal, Government has allowed private power plants to procure coal from the coal mines allocated to state governments for power production. Under the arrangement, such allotment of coal would be made based on 'tariff bids' invited from the prospective IPPs. This will further be subject to the railways agreeing to move this coal to the bidding power plant.