

**Coal is India's most affordable and abundantly available source of commercial energy.  
Use washed coal and use it responsibly.**

- Coal India is preparing to face private competition in the commercial coal market following the liberalization introduced by the government. Company's strategy inter alia includes increase in productivity and rationalization of manpower. Coal India has also decided to focus on logistics, increasing its off take, while maintaining its mine-pit stocks near the regulatory requirements.
- Singareni Collieries Company has announced its plan to set up three new coal washeries, one each at Manuguru, Mandamarri, and Ramagundam-II mines in order to reduce the ash content of its coal from 40 to 25-30 percent.
- Coal India is reported to be gauging the opinion of stakeholders on the new pricing mechanism, expected to be launched in July, which charges buyers based on the actual calorific value of coal sold. Stakeholders taking part in the meetings included cement, steel, and power companies. They discussed possible roadblocks on the introduction of the new pricing mechanism that was previously scheduled for introduction on April 1.

**CPSI view :** Coal consumers would be missing a great opportunity if they don't insist upon Coal India to set up coal washing facilities rather than introducing Calorific Value based on billing system in absence of any reliable sampling and testing systems located at all coal dispatch points.

- South Eastern Coalfields Limited has retained the position as country's largest coal producing company with total coal output of 144.71 million tonnes in 2017-18. Mahanadi Coalfields Limited produced 143.06 million tonnes of coal in 2017-18. The CIL's total coal output during the period stood at 567.37 million tonnes with 95 % achievement and 2.4 % growth over the previous year.

Registering a growth of 3.4 % over the previous year, SECL recorded highest ever coal offtake of 151.11 million tonnes, with 9.8 % growth over 2016-17.

*Source : Business Standard*

- In its efforts to find the way forward to bring back coal mining to the region, Meghalaya state government has set up a Group of Ministers to examine / analyze the ban on rat-hole coal mining – a traditional, small-scale mining operation that was the source of livelihood for many people in the state – imposed by the National Green Tribunal four years ago. Asian Age report.
- Indonesian coal mining companies have reported potentially significant decreases in revenue, following the implementation of Energy and Mineral Resources new law on coal domestic market obligation. Coal mining companies are required to sell 25 % of the total commodity production to electricity producers with a maximum price of USD 70 per metric tonne. Coal-fired power plants accounted for 57 % of Indonesia's power generation capacity of 60,491 megawatts last year. PLN needs cheaper coal prices because the government has decided not to increase electricity rates until 2019.

*Source: Jakarta Post*

- Coal India is all set to invest heavily on its own logistic capacity. Under the new plan, Coal India will reduce its dependence on Indian Railways by acquiring at least 1,700 railway rakes, announced Piyush Goyal, Union Minister of Coal. According to the minister, "good rate of returns" will also be offered to private miners that are interested in setting their own fleet.

**CPSI view :** Coal India's proposal to buy own wagons to augment Railways' carrying capacity for coal doesn't seem to be a well thought of. Instead of buying wagons and handing over to the railways, Coal India should set up coal washeries at an accelerated pace. This would not only help in improving the quality of coal, thereby, power plant efficiency will improve and CO<sub>2</sub>, SO<sub>x</sub> and NO<sub>x</sub> emissions would come down substantially and railways carrying capacity will increase by 20% without any additional investment. All three parties namely, Coal India, the railways' and the power plants stand to gain.

- Financial Express reported that the government's recent move to allow commercial mining of coal, and notification of the methodology for auctions sets the stage for a change in India's coal supply paradigm. But that's easier said than done with there being a raft of structural issues that need sorting out. The hour is propitious, therefore, to scrutinise the landscape using four lenses supply, pricing, quality, and the interest of global miners. It takes at least 5 years for a coal mining project to start commercial operations. Unless there is single-window clearance for statutory approvals, streamlining of land acquisition processes, and improvement in rail connectivity, commercial miners would run into the same challenges that have beset public sector and captive miners.
- Opportunities are poised to open for private oil and gas producers in coal-bed methane (CBM) extraction. Coal India Ltd (CIL) is likely to float global tenders to appoint service providers on this project. A Coal India source suggested that as of now, CIL plans to go ahead with a single block in the Jharia coalfields (Jharkhand), where an estimated Rs. 30 billion investment will be required. After that, other blocks in Jharia and Raniganj (West Bengal) would be taken up.
- In April this FY, Coal India produced 44.84 million tonnes of coal, registering an increase of 17 percent or 6.40 million compared to the same period last year. Sales in April, increased by 13 percent, from 45.14 million ton almost 51 million tonnes.
- According to official sources, 89 of the cancelled blocks have been reallocated so far and only 28 of these are producing coal right now. Post-reallocation, these blocks' cumulative production excluding that of seven blocks that were given by the court to the "custody" of Coal India, which haven't faced any disruption was just 40.5 million tonne till January, 2018, that is, average annual production of just around 12 million tonnes.

*Source: Financial Express.*