

E-Bulletin

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COAL will continue as an integral part of India's energy security agenda.

- Union Minister Chaudhary Birender Singh says that .India should cut down its dependence on special steel product imports through value addition and form JVs with global leaders for technological know-how. Value addition is a major area which needs our attention. In spite of being world's third largest steel producer, we are still dependent on imports for some steel products.
- According to Live Mint, Construction works at Adani's USD 16.5 billion Carmichael project are expected to start by by October this year, and that first coal ship is scheduled for March 2020.
- The states of Madhya Pradesh and Chhattisgarh have agreed to form a (49:51) joint venture called Kerwa Coal Company to explore the coal block in Korba, (CG).
- Niti Aayog has reiterated that dividing Coal India along its subsidiaries would be beneficial to the Indian coal market, by allowing which of the companies to develop its own strategy and business model and permitting competition among them. Niti Aayog also wants to open the coal mining sector to commercial mining, preferring market-based mechanisms to the current methods of coal allocation and pricing.

CPSI view: Making CIL's subsidiaries independent will surely enhance their corporate image, create healthy competition, improve efficiency of operations and result in better customer satisfaction.

- Underground coal gasification (UCG) has been banned in Queensland after legislation was recently passed through the state parliament. Queensland Natural Resources and Mines Minister Anthony Lynham said while creating jobs for regional Queenslanders and boosting the economy is a priority, the risks that UCG posed outweighed any potential positives. An independent scientific panel report on the pilot trials found that sufficient scientific and technical information was not yet available to reach a final conclusion about the operation of this industry on a commercial scale.
- International Coal Ventures is currently considering plans to covert coal to gas, thus making it easier to export from its Benga operation in Mozambique to India. Steel Ministry is reported as evaluating a proposal by Niti Aayog to gasify the coal and turn it into methanol to be shipped back and used in gas-fired power plants in India.

CPSI comment: Gasification of Mozambique coal will still require physical mining of huge volume of coal because of highly banded and intercalated nature of coal seams. Furthermore, once a gasification plant is established at high capital cost, its continuing operation inter alia depends on policy stability of that country. Therefore, prudence lies in trying our hands at coal gasification within our country rather than doing it at alien soil.

- Times of India reported that the spectre of running out of coal has returned to haunt power plants across the country after a gap of nearly 3 years due to a combination of several factors, forcing some private power plants to shut their units or part operations while state units manage to chug along on priority supplies.
- According to Central Electricity Authority (CEA) data, two plants had no fuel, five were operating with only a day's stock, eight with two days' stock, and 13 with three days as of August 15. Several more had 4-5 days stock.
- Chief Economic Advisor Arvind Subramanian confirms that Coal will and should remain the primary source of energy for India in the short to medium term as the fossil fuel remains the cheapest source of energy for India's development needs. Renewable

- energy, on the other hand, comes with hidden costs, Subramanian said in a lecture organised by think tank The Energy and Resources Institute (TERI).
- Reuters reported that authorities in the city of Jinzhong in Shanxi province, one of China's top coal producing regions, have ordered coal mines to shut for safety checks following a fatal landslide a week ago. The measure has not affected production in two stateowned coal mining companies in the city, Lu'An Group and Yangquan Coal Industry Group, said the official at the public relations department at Jinzhong's coal administration bureau.
- Press Trust of India reported that import of coal saw a decline of 6.37 per cent to 191.95 million tonnes in 2016-17 on higher production by CIL that saw the country move to a regime of surplus coal. It said that as against the demand of 884.87 MT of coal, the total domestic production stood at 659.27 MT.
- Pravda. Ru reported that President Mr Putin has pardoned former director of Ulyanovskaya coal mine Andrei Funk, who was sentenced to 6 years in prison in 2015. Funk was convicted by the court for violating security rules in explosive areas, which resulted in the death of several people. The criminal case against him was initiated after a methane explosion in Ulyanovskaya mine killed 110 people in 2007. Andrei Funk served as the director of the mine when the mining accident occurred.
- New guidance from the United States government which appears
 to encourage multilateral development banks to invest in fossil
 fuel projects in developing countries has been met with dismay
 from development experts and climate change campaigners. The
 brief directive spanning only a few sentences instructs U.S.
 representatives on the executive boards of MDBs to vote to "help
 countries access and use fossil fuels more cleanly and efficiently."
- Quoting Coal India's annual report, IANS reported that 62 coal projects, out of 120 ongoing projects, were behind schedule mainly due to delay in obtaining forest clearances, acquiring land and issues related to rehabilitation and resettlement. The report said that "34 coal mining projects are running behind schedule due to delay in obtaining forestry clearances and 17 are (running behind) due to delay in acquisition of land and associated R&R issues."
- Shri Piyush Goyal Minister for Coal, Power, NRE and Mines recently announced that India will aim for global leadership in electrical vehicles, as it has done in popularising and making affordable energy-efficient LED lights. Energy Efficiency Services (ESSL), a power ministry enterprise, has invited tender for 10,000 electric vehicles, which will be used to replace petrol and diesel run vehicles in the government. departments.

CPSI view: No doubt, electrical vehicles are a step forward. But government should give priority to electrical (trolley) buses replacing existing CNG, petrol and diesel buses that are highly polluting and most of them already in a dilapidated condition. Trolley buses are safe, less prone to cause accidents, cost effective in capex and opex and can be manufactured in India. Last but not the least, increase in power demand while restoring the health of ailing power plants and the banks as well.

In response to tightening environmental legislation thermal coal
plants are required to update emissions control treatment.
Improving the quality of coal feedstock reduces pollutant
emissions at source and improves boiler performance. The use of
beneficiated coals is one option available to operators to achieve
greenhouse gas emission targets. High quality coals provide the
optimal feedstock for HELE thermal coal plants that are sensitive
to coal characteristics; treated coals may offer an alternative to
introducing emission control systems on outmoded plants.