

Coal Shortage in India

What is the issue?

India's thermal power plants are facing a severe coal shortage, with coal stocks having come down to an average of 4 days of fuel across an increasing number of thermal stations.


What is the current status of coal stocks?

Coal fired plants makeup nearly 70% of India's power source mix.

- On October 4, 16 thermal power plants with a power generation capacity of 17,475 MW (mega watts) had zero days of coal stock.
- An additional 45 thermal power plants with a power generation capacity of 59,790 MW had coal stock only for up to two days.
- It is way below the government recommendations of holding 14 days worth of coal stock.
- The non-pithead plants or plants which are not located close to coal mines have critical levels of stock i.e under 8 days.

Taking stock

Mode	Pithead		Non-pithead	
	2020	2021	2020	2021
Number of plants	17	16	118	119
Capacity (MW)	34,300	35,200	1,28,226	1,29,866
Daily requirement ('000T)	452.3	464.2	1,327	1,359.9
Total stock ('000T)	5,733.5	2464	28,434.6	5,345.2
Total stock in days	13	5	21	4



What is the reason behind India's coal shortage?

- **Increased power demand** - A sharp uptick in power demand as the economy recovers from Covid-19 pandemic coupled with supply issues have led to coal shortage.

- India consumed 124 billion units of power in August 2021 compared to 106 billion units of power in August 2019.
- **Supply crunches** - Lower than normal stock accumulation by thermal power plants in the April-June period is another reason.
- Continuous rainfall in coal bearing areas in August and September caused fewer despatches of coal from coal mines.
- **Fall in imports** - There has been sharp fall in imports due to high international prices.
- **Non-payments of coal dues** - The non-payments of coal dues by States such as Maharashtra, Rajasthan, Tamil Nadu, Uttar Pradesh and Madhya Pradesh also resulted in inadequate supplies.

What will be the impact of coal shortage?

- The electricity shortages could delay India's economic reopening.
- It might lead to downscaling of business productions.
- India's population and under developed energy infrastructure will mean the power crisis could hit long and hard.

What measures is the government taking to address the situation?

- The Power Ministry has constituted a **Core Management Team** to monitor and manage the fuel on daily basis to improve supplies to power plants.
- Coal India, the state-owned miner claims that it has ramped up supplies to thermal power plants by nearly 12 per cent annually.
- The government is pressing thermal plants with captive coal mines to boost their coal output to meet their own demand.
- The Power Ministry is trying to expedite the start of production from a number of mines that already have all requisite clearances.
- The government has also boosted the number of rakes of coal being transported to thermal power plants daily.

What is the way forward?

- State run Coal India and NTPC Ltd. can work together to raise the output from mines.
- India has to ramp its imports despite the financial cost.
- Advance preparation and ensuring sufficient stocks ahead of monsoons is a well known strategy.

Source: The Indian Express, Business Line

