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.

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

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