



**PHD Research Bureau**  
PHD Chamber of Commerce and Industry



### **Power Ministry issues directions to all Gencos including Independent Power Producers (IPPs) for timely Import of Coal for blending purposes**

Power Ministry has issued directions to all Gencos that if the orders for import of coal for blending are not placed by Gencos by 31.05.2022 and if the imported coal for blending purpose do not start arriving at the power plants by 15.06.2022, all the defaulter Gencos would have to import coal for blending purpose to the extent of 15% (in order to meet shortfall of imported coal for blending purpose in Quarter1 i.e. Apr-June 2022) in the remaining period upto 31.10.2022. It has further said that not much blending has taken place in the months of April and May 2022, the power plants (who have not yet started blending by imported coal) will ensure that they blend coal at the rate of 15 % upto Oct 2022 and thereafter at the rate of 10% from November 2022 to March 2023.

The ministry, in letter written to State Secretaries/Principal Secretaries and all Gencos, has said that keeping in view the likely less materialization of coal supply from domestic sources as compared with the requirement to meet power demand, domestic coal will be allocated proportionately to all Gencos based on likely availability from 01.06.2022 and the balance requirement will need to be met from imported coal for blending purpose and target set for production in captive coal mines. If blending with domestic coal is not started by 15.06.2022 then the domestic allocation of the concerned defaulter thermal power plants will be further reduced by 5%. Accordingly, revised allocation of domestic coal for the month of July, 2022 onwards will be conveyed based on the above methodology. All Gencos have been advised to ensure adequate stocks at their power plants for smooth operation until Oct,2022.

The ministry has directed that the imported coal based plants should run and the State should import coal for blending, as in the previous years. Ministry of Power had issued directions u/s 11 of the Electricity Act that all the imported coal based plants start running and most of them have started running. However, the import by States of coal for blending is not satisfactory. In 2018-19 a total of 21.4 Million Tonnes of coal were imported for blending. In 2019-20, the total import for blending was 23.8 Million Tonnes whereas in 2021-22, it was only 8.3 Million Tonnes. This is the cause of the stress in the availability of coal.

Ministry of Power (MoP) on 07.12.2021 had issued advisory to all domestic coal based power plants to import coal to meet their requirements by blending with imported coal

to the extent of 4 % by State Gencos & Independent Power Producers (IPPs). MoP had issued the revised advisory on 28.04.2022 for importing coal for blending purpose to meet the requirement at 10% of the total requirement by 31.10.2022. The requirement for blending for each Genco and IPPs at 10% was also intimated and it was advised to place the awards for import of coal (for blending) by 31.05.2022 in order to ensure that 50% quantity is received by 30.06.2022, 40 % quantity by 31.08.2022 and 10% quantity by 31.10.2022.

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Warm Regards,

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