
Insufficient steam coal output to hit power projects in India

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BL reported that the prospect of a power crisis looms large with the widening demand supply gap for domestic coal production projected to lead to a blending problem at existing coal fired stations.

With only up to 10% imported coal blends permissible due to boiler constraints at nearly all existing thermal stations, the option of using imported coal, which has a much higher calorific value, as an alternative to domestic coal does not appear viable for long.

The Central Electricity Authority the Government's planning arm in the power sector has warned of the possibility of thermal projects shutting as early as the terminal years of the current Plan or the early part of the Twelfth Plan due to domestic coal production failing to keep pace with the demand from the power sector.

The CEA said that "Blending of imported coal is technically feasible to the tune of 10% only. Therefore shortage of domestic coal may result in stranded coal based capacity."

According to an official with the CEA, the fallout of the slack domestic coal production could hit generation as early as the terminal years of the 11th Plan period, going by the current domestic production estimates of the State-owned Coal India Limited.

According to the present status of commissioning of power projects during the 11th Plan and production plan of CIL, the gap between demand and availability of domestic coal in the terminal year of the 11th Plan is expected to be about 74 million tonnes, necessitating import of about 50 million tones of coal.

According to CEA estimates, the shortfall is expected to increase to about 120 million tones when all the Plan projects are commissioned and get stabilized at the beginning of the 12th Plan.

A Power Ministry official said that "CIL has indicated additional coal production of only 100 million tonnes during the Twelfth Plan at 20 million tonne per year. This will not even be adequate for meeting the full requirement of the Eleventh Plan projects."

The situation is alarming as no coal seems to be available for linkage to new power projects of the 12th Plan. Besides, application of projects totaling to more than 0.1 million MW apart from captive plants are pending for coal linkage. Of the current installed generation capacity of 152,360 MW in the country over 80,395 MW are coal fired stations.

While the new stations based entirely on imported coal, including TATA Power's upcoming 4,000 MW Ultra Mega Power Project at Mundra and a bevy of IPPs coming up along the Tamil Nadu and Andhra Pradesh coast that are being built to operate entirely on imported coal, the existing power stations can manage blending of up to 10% imported coal due to boiler constraints.

An official said that "The increased use of imported coal could cause boilers to burst due to the higher calorific value of imported coal as compared to the domestic variety."

(Sourced from Business Line)

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