

Coal crisis may hit power generation in Punjab

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IRREGULAR and tardy coal supply in Punjab, with the state getting only around 25 to 30 rakes of coal daily from the pit heads in the eastern states, is preventing replenishment of stocks for its thermal power plants. While the pre-Covid daily supply was between 40 and 45 rakes, the current grim situation, worsened by the rains, can potentially impact power generation across Punjab.

This is in the face of the Railways giving 40 percent discount in rates for transportation of fly ash to private cement manufacturing companies.

Railways sources said that the pre-Covid period saw Punjab and Haryana receiving around 90 to 110 rakes, daily transporting commodities, fertilisers, food grains, coal and other raw material. The figure now stood at 80 to 90 rakes daily, the sources added.

When the Covid pandemic hit, the number of coal rakes reaching the two states went down to 50 to 60 before touching

Irregular coal supply

Punjab is getting only around 25 to 30 rakes of coal daily from eastern states

While the pre-Covid daily supply was between **40** and **45** rakes

In each rake, **58-60** wagons carried **4,000** metric tonnes of coal

Depending on the quality, coal costs at pitheads in Jharkhand and Odisha vary between **₹1,800** and **₹2,200** per tonne.

The total fuel cost for the thermal plants is **₹4,500** and **₹4,900** per tonne

The Railways is giving 40 percent discount in rates for transportation of fly ash to private cement-manufacturing firms

The state government repeatedly pleaded with the Railways to extend the 20 percent discount as it directly impacted power cost

The Centre had recently asked Punjab and Haryana to buy their own rakes for coal evacuation from Coal India Ltd mines



only 25 to 30.

“In each rake, 58-60 wagons carried 4,000 metric tonnes of coal. The cost involved was about ₹1 crore per rake. Depending on the quality, coal costs at pitheads in Jharkhand and Odisha vary between ₹1,800 and ₹2,200 per tonne. With freight charges at ₹2,700 per metric tonne, the rakes covered distances ranging between 1,400 and 1,600 kms, taking three to nine days for the coal to reach

their destinations in Punjab and Haryana. The total fuel cost for the thermal plants is ₹4,500 and ₹4,900 per tonne,” an official explained.

The Railways, sources said, devised several freight policy measures such as 20 percent rebate on freight charges on long lead traffic for coal, coke, iron ore and steel and 25 percent concession on haulage charge for empty containers and wagons. At the same time, to enhance

rake utilisation, the Railways also offered a 40 percent discount for transportation of fly ash, a major raw material for cement manufacturers.

Surprisingly, however, the 20 percent rebate for long lead traffic on iron ore and steel was withdrawn on June 30, 2021, and the discount for coal and coke was ended on December 31 the same year. The 40 percent rebate on transportation of fly ash, however, continues.

Sources said the state government repeatedly pleaded with the Railways to extend the 20 percent discount as it directly impacted power cost which is subsequently passed on to consumers. At the same time, thermal power plants are not getting sufficient rakes despite being prepared to pay 115 percent premium over the base freight.

When contacted, Rajeev Jain, Spokesman and ADG Ministry of Railways, sought a written questionnaire which he did not respond to. Avinash Mishra, Executive Director (Coal) at the Railway Board refused to comment.