
Fwd: Tata Power's Comments on the CERC Staff Paper on "Blending of imported Coal with Domestic coal to mitigate the domestic coal shortage"

From : Awdhesh Kumar Yadav <awdhesh@nic.in> Mon, Jun 13, 2022 04:45 PM
Subject : Fwd: Tata Power's Comments on the CERC Staff Paper on "Blending of imported Coal with Domestic coal to mitigate the domestic coal shortage"  1 attachment
To : Sunil Kumar Jain <sunil_jain@nic.in>

Please discuss

From: "Harpreet Singh Pruthi" <secy@cercind.gov.in>
To: "Awdhesh Kumar Yadav" <awdhesh@nic.in>
Sent: Monday, June 13, 2022 3:35:06 PM
Subject: Fwd: Tata Power's Comments on the CERC Staff Paper on "Blending of imported Coal with Domestic coal to mitigate the domestic coal shortage"

From: nandita@tatapower.com
To: "Harpreet Singh Pruthi" <secy@cercind.gov.in>
Cc: "ajay Kapoor" <ajay.kapoor@tatapower.com>, "paramita sahoo" <paramita.sahoo@tatapower.com>
Sent: Monday, June 13, 2022 2:47:21 PM
Subject: Tata Power's Comments on the CERC Staff Paper on "Blending of imported Coal with Domestic coal to mitigate the domestic coal shortage"

Dear Sir

Greetings from Tata Power

Kindly find attached Tata Power's suggestions on CERC's Staff Paper on "Blending of imported Coal with Domestic coal to mitigate the domestic coal shortage". Request you to kindly consider our suggestions while finalizing the same.

Regards,
Nandita Singh
Advocacy
The Tata Power Company Limited, Shatabdi Bhawan, B-12 & 13, Sector 4, Noida, UP-201301
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Tata Power's comments on CERC Staff Paper on Blending of Imported Coal to Mitigate the domestic Coal Shortage.pdf
366 KB

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1. It is submitted that from perusal of the Staff Paper, it is observed that the staff paper has been prepared in view of the shortage of domestic coal constraining electricity generation and the direction of the MoP, GoI under Section 107 of the Electricity Act ("Act"), 03 regarding amendment of Regulation 43(3) to facilitate blending of imported coal upto 30% subject to technical feasibility and without seeking prior consent from the beneficiaries up to 31.03.2023 in order address the present crisis.

2. The Staff paper further invited comments of the stakeholders on the following:

"If further flexibility is to be provided to the generators to blend imported coal without the permission or consultation of the beneficiaries, then

- to what extent of blending of imported coal be allowed without the permission or consultation of the beneficiaries?*
- to what extent the increase in energy charge rate over and above base energy charge rate, approved by the Commission for that year, be allowed upon blending of imported coal without the consent or consultation of the beneficiaries?"*

3. Accordingly, we would like to make the following submissions for kind consideration of the Hon'ble Commission:

4. It is submitted that given the sharp increase in electricity demand, poor coal stocks in Thermal Power Plants (TPP) and arrival of monsoon, it appears that shortage of domestic coal may take time to normalize.

5. Therefore, in our view, there should not be any restriction either in blending of Imported coal subject to technical feasibility of the Plant or in energy charge rate as mentioned in case of alternate fuel in Regulation 43(3) of the Tariff Regulation 2019. Having any restrictions shall delay the process of coal procurement and that will only worsen the situation

6. However, a minimum % for blending may be specified as Hon'ble Commission may deem fit for mandatory implementation by Thermal Power Plant. It is also submitted that, since generator has no control over international coal prices, they should have the liberty to pass on the cost as like domestic coal cost.

7. In light of above, we support the proposal given in the staff paper to amend the Regulation 43 taking into consideration the comments given by the Stakeholders. More so, direction under Section 107 seems mandatory in such emergent situation and needs to be implemented.

8. In addition to above, following may kindly be considered:
9. The following constraints have been observed during the preliminary discussions, however, things will evolve as we start firing of imported coal, increasing the percentage of blending of imported coal along with co-firing of Bio Mass. In absence of above clarity, liberty may kindly be granted to TPPs to approach Hon'ble Commission in case any technical or financial difficulty arises and to seek appropriate relief.
 - (a) Infrastructural requirement:
 - i. It is submitted that imported coal being used in India has very high volatile matter necessitating special precautions in handling, storing and firing these coals. This requires creation/augmentation of certain infrastructure in the station for unloading and handling of imported coal.
 - ii. Lower mill outlet temperature of 50-55 deg C needs to be maintained for imported coal with higher volatile matters as compared to 75 - 95 deg C temperature for indigenous coal. Thus, while firing blended coal, having a component of high Volatile Matter, mill inlet temperature has to be maintained carefully, to ensure drying of coal to avoid mill fire.
 - iii. Due to higher VM component in the imported coal there is a fast deterioration in its heat value when stacked in yard and is also prone to fire.
 - iv. Thus, Safe storage and handling of imported coal may require Capex.
 - (b) Slagging, heavy deposit in boiler, ash build-up and bridging of S-panel:
 - i. From past trials at various station across India, high slagging tendency have been observed on firing of blended Coal (Imported Coal blended with Domestic Coal).
 - ii. Also, high alkali and alkaline earth materials are found in ash composition of biomass which tends to act as fluxing agents and reduce the melting temperature of the coal ash. This will further aggravate the slagging and fouling problems in boiler.
 - iii. The above will also increase the risk of high temperature chlorine corrosion since chlorine and potassium are mostly present in biomass as water soluble inorganic salts.
 - (c) High unburnt in fly ash and bottom ash:
 - i. It is submitted that due to lower HGI in imported coal, there is a reduction in mill output. Primary Fuel fineness is also affected leading to high unburnt in fly ash and bottom ash.

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