

**REVISED COAL STOCKING NORMS FOR COAL
BASED THERMAL POWER PLANTS**

CENTRAL ELECTRICITY AUTHORITY

06th December 2021

1. Present Coal Stocking Norms of CEA:

Present coal stocking norms of CEA is based on the distance of the plant from the mine-head as detailed below:

Distance of Power Plant	Number of Days of Stock
Pit-head Station	15
Upto 500 km away from coal mine	20
Upto 1,000 km away from coal mine	25
Beyond 1,000 km away from coal mine	30

In the Daily Coal Report (DCR) prepared by CEA, normative coal stock (in days) to be maintained by individual power plant is shown as indicated above, so that in case of any interruption in supply of coal or during high demand period, the coal stock available at the plant may be utilized. As, these norms are advisory in nature, at times, power plants do not maintain coal stock as per the above norms.

2. Need to Review Coal Stocking Norms

- i. Current norms of CEA (in days) are uniform throughout the year. However, it is a fact that coal based generation/consumption as well as coal despatch varies during the course of the year. Further, power plants are not able to maintain high stock during rainy season due to less coal despatch by coal companies. Therefore, there is a need to revise the present coal stocking norms of CEA to bring it in line with month-wise coal despatch and coal consumption trends during various months in a year.
- ii. At present, daily coal requirement of a plant is estimated based on the consumption pattern of the plant during preceding one week (subject to a minimum daily requirement at 55% PLF), which is used to calculate stock in number of days. However, if the plant/unit is under shutdown due to any reason such as scheduled maintenance, outage due to coal shortage etc., daily requirement will be automatically reduced. Thus, stock in number of days may reflect more number of days, even though stock is less. Thus, instead of showing normative stock in number of days, the same can be shown in terms of quantum (Thousand Tonnes) and the actual stock may be compared with it.
- iii. Current Coal Stocking norms are advisory in nature. Therefore, the power plants generally do not maintain coal stock as per norms. The coal stock which was about 29 MT as on 30.06.2021 depleted to about 8 MT as on 30.09.2021 due to lower coal supply by coal companies during rainy season, which may be seen from the trend given at Fig

2.1. Thus, there is also a need to have some penalty/incentive provision in the norms in terms of priority loading for supply of coal by CIL/SCCL.

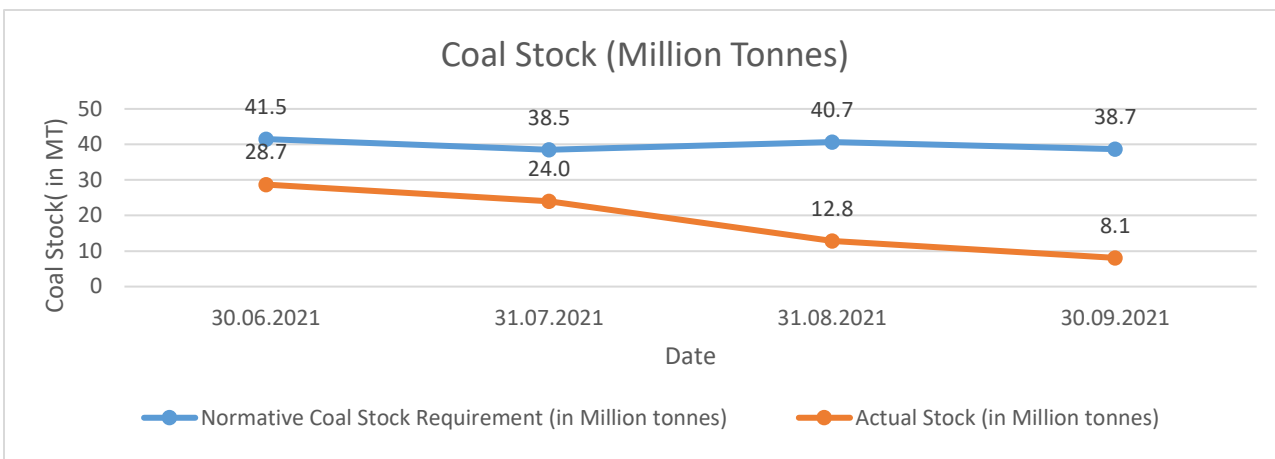


Fig. 2.1

3. Revised Coal Stocking Norms:

- i. Daily coal requirement for both Pithead and Non-Pithead plants would be estimated @85% PLF and number of days for which stock needs to be maintained would vary from 12 to 17 days for Pithead plants and 20 to 26 days for Non-Pithead plants with month-wise variation based on coal despatch/coal consumption pattern during the year.
- ii. Accordingly, the new coal stocking norms would be as under:
 - a. **For Pithead Plants: Coal required at 85% PLF for ‘N1’ number of days (in thousand tonnes)**
 - b. **For Non-Pithead Plants: Coal required at 85% PLF for ‘N2’ number of days (in thousand tonnes)**

Where N1 and N2 are No. of days as given below:

Month	Coal Stock to be maintained by the power plant during the month (in no. of days)	
	PITHEAD (N1)	NON-PITHEAD (N2)
April	17	26
May	17	26
June	17	26

July	14	22
August	13	21
September	12	20
October	13	21
November	14	22
December	15	23
January	16	24
February	17	26
March	17	26

The coal stock has been kept minimum during rainy season (Q2) and based on increase in dispatch pattern during Q3 & Q4; the plants have been mandated to keep adequate stock especially during Q4 when supply is maximum. The stock maintained at the end of Q4 may be utilised during rainy season.

4. Grading of Gencos:

i) **Grading of Gencos/IPPs:** Grading of a Genco/IPP will be done on monthly basis based on the performance of the Genco/IPP during the previous month as well as payment status, as per the following criteria:

Zone	Criteria
Red Zone	<ol style="list-style-type: none"> Genco/IPP of which any power plant maintains average coal stock during the preceding month of less than 65% of the mandatory coal stock prescribed in the norms of that month; <p>OR</p> <ol style="list-style-type: none"> Having undisputed outstanding dues with coal companies equivalent to more than one (1) month coal value, as per MSQ (Monthly Scheduled Quantity).
Yellow Zone	<ol style="list-style-type: none"> Genco/IPP of which any power plant maintains average coal stock during the preceding month in the range of 65% to 85% of the mandatory coal stock prescribed in the norms of that month; AND

	2. Having undisputed outstanding dues with coal companies equivalent to coal value of less than one (1) month, as per MSQ.
Green Zone	1. If all the power plants of a Genco/IPP maintain average coal stock during the preceding month of more than 85 % of the mandatory coal stock prescribed in the norms of that month ; AND 2. Having no outstanding dues with coal companies.

Exceptions: In case the Central/State Genco or IPP submits programme as per the MSQ (as per FSA) of the individual plant, but still not able to maintain coal stock due to reasons such as less coal supply by CIL, less rakes availability, running at very high PLF etc.($\geq 85\%$ PLF) , then such plant(s) will be kept in Green Zone.

ii) Grading of Gencos/IPPs will be reflected in the Daily Coal Report.

iii) The recommendation by CEA/MoP for enhancing coal supply will be made according to grading of Gencos/IPPs as above. The Gencos/IPPs in Red Zone will be given least priority in supply of coal by Coal Companies and rakes allotment by Railways, followed by Gencos/IPPs in Yellow Zone. The Gencos/IPPs in Green Zone will be given highest priority in terms of rakes loading and supply of coal.

5. Penalty for non-maintenance of coal stock:

(i) In the event that availability by any power plant is less than the Normative availability (as per prevailing regulatory norms of CERC/SERC - as applicable) due to less coal stock maintained by the plant, the penalty shall be determined as detailed below:

a) Power plant designed on domestic coal:

In the event the availability is less by 5% or more from the Normative Availability (as applicable) on quarterly basis, the fixed charge shall be reduced to the extent of shortfall in Normative Availability and in addition, the reduction below the Normative Availability shall be multiplied by a factor of 0.2 (i.e levy of additional 20% due to reduced availability) to determine the penalty for non-maintenance of coal stock on quarterly basis.

b) Power plant designed on imported coal:

In the event the availability is less by 5% or more from the Normative Availability (as applicable) on quarterly basis, the fixed charge shall be reduced to the extent of shortfall in Normative Availability and in addition, the reduction below the

Normative Availability shall be multiplied by a factor of 0.5 (i.e levy of additional 50% due to reduced availability) to determine the penalty for non-maintenance of coal stock on quarterly basis.

Further, in case the availability is less by 25% or more from the Normative Availability (as applicable) on quarterly basis, the fixed charge shall be reduced to the extent of shortfall in Normative Availability and in addition, the reduction beyond 25% below the Normative Availability shall be multiplied by a factor of 1 (one) (i.e levy of additional 100% due to reduced availability) to determine the penalty for non-maintenance of coal stock on quarterly basis.
