



Revised Coal Stocking Norms

Why in News

Recently, the [Central Electricity Authority \(CEA\)](#) has revised **Coal Stocking Norms at thermal power generation plants** with an aim to prevent a repeat of the [low coal stock situation](#) at various plants.

- CEA is an organization under the **Electricity Act, 2003**. Its objective is **to formulate a National Electricity Plan every five years** for optimum utilization of available resources for power generation.


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Secure Future

India to simplify coal stocking norms		Ensure power plants stock adequate coal, avert coal crisis
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Officials say
present norms
are flawed

To calculate
daily coal
stock require-
ment on plant
load factor



Presently,
calculated
as avg of
last 7 days

Key Points

- **Background:**
 - In October 2021, India's thermal power plants faced a severe coal shortage, whereby coal stocks had come down **to an average of four days of fuel across an increasing number of thermal stations.**
 - A sharp uptick in demand, a rise in the price of imported coal, and low coal procurement by

power stations prior to the monsoon contributed to the low stock situation.

- This was **one of the biggest coal crises in India**, impacting the slowdown of economic reopening and some businesses' downscale production.
- The **low coal stock situation had forced a number of states to purchase power on the [energy exchange](#)**, bidding up the average market clearing price of power to Rs 16.4 per unit in October, prompting the government **to revise Coal Stocking Norms**.

▪ Previous Norms:

- It mandated 15-30 days of coal stock based on the distance of the plant from the source of coal.
- Earlier, power plants located at pit head plants were **required to keep 15 days of coal stock**, while **the requirement increased to 20 days for plants located within 200 km** from the mines, **25 days for those within 1,000 km** and **30 days for plants situated further away** from the mines.

▪ Revised Norms:

- It mandates the **coal stock of 17 days at pit head stations and 26 days at non-pit head stations** to be maintained by power plants from February to June every year.
 - Non-pit head plants are power plants where the coal mine is more than 1,500 km away.
- The daily coal requirement at the power plant at any given day will be calculated **based on 85% Plant Load Factor (PLF)**.
 - The previous norms determined coal stock volumes according to the average consumption pattern of the plant over the last seven days at a **minimum 55% PLF**.
 - PLF is the **ratio between the actual energy generated by the plant to the maximum possible energy** that can be generated with the plant working at its rated power and for a duration of an entire year.
- The new methodology implies power plants which have lower utilisation rates will need to stock more coal than they did earlier.
- Power plants will have to strictly follow these parameters, failing which penalties will be levied — an aspect that was not present in CEA regulations so far.

▪ Significance:

- It will **prevent a situation like the one that faced the country** recently when post monsoons, several of the 135 coal-based power plants in the country were found to be sitting with critical coal stock levels sufficient to meet just three to four days of supply.
- Relaxed coal stocking norms will also **better distribution the fuel amongst generating stations**.
 - This will **prevent shortages and ensure uninterrupted power supply irrespective of the demand situation** in the country.
- It will also **lower the fuel requirement for each power plant and enable better distribution** amongst all stations.

Coal

- It is one of the most abundantly found fossil fuels. It is used **as a domestic fuel, in industries such as iron and steel, steam engines and to generate electricity**. Electricity from coal is called thermal power.
- The coal which we are using today **was formed millions of years ago** when giant ferns and swamps got buried under the layers of earth. Coal is therefore **referred to as Buried Sunshine**.
- The **leading coal producers of the world include** China, US, Australia, Indonesia, India.
- The coal producing areas of **India include Raniganj, Jharia, Dhanbad and Bokaro** in Jharkhand.
- **Coal is also [classified into four ranks](#)**: anthracite, bituminous, subbituminous, and lignite. The ranking depends on the types and amounts of carbon the coal contains and on the amount of heat

energy the coal can produce.

Source: IE

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