

‘Government looking at carving out larger coal blocks to attract foreign investments’

The Ministry of Coal is looking at ways to attract foreign participation in coal mining. One of the options being considered is carving out larger coal blocks to meet the requirements of foreign investors, said Coal and Mines Minister, Pralhad Joshi.

Speaking at the third India Energy Forum by CERAWEEK, Joshi said, “We have opened up the coal mining sector for Foreign Direct Investment under the automatic route. We are formulating various policies to attract foreign investors and private sector within the country.”

Commenting on the way ahead for India’s energy demand, Minister for Petroleum and Natural Gas, Dharmendra Pradhan said, “Give its huge energy appetite. India will be the key driver of global energy demand in the coming decades. In fact it will experience the fastest growth in energy consumption among all large economies. To meet this demand, India would need a healthy mix of all commercially viable energy sources.”

“The share of renewables in electricity capacity has significantly gone up to 22 per cent from 10 per cent in 2014-2015. Secondly, the ethanol blending percentage has risen from 0.67 per cent in 2012-2013 to 6 per cent. Finally, more than 95 per cent households now have access to LPG, making their kitchens smoke-free,” Pradhan added.

Dependence on coal

But India will remain dependent on coal for a large chunk of power generation. Minister of Railways and Commerce and Industry, Piyush Goyal, said, “All over the world, coal was the primary the primary driver of energy needs, particularly low cost energy during the development cycle of different nations. The US, Europe, China, Russia, all have used coal extensively to meet their development abilities. They wouldn’t have reached where they are today had they not used that much coal. Even today, our per capita consumption of coal in India is probably one seventh or one tenth of what it is today in the US.”

“Even in absolute terms, the US consumes nearly twice as much coal as India,” he added.

RK Singh, Minister of State (Independent Charge) of Power and New and Renewable Energy, said: “This debate about coal needs to be restated. It doesn’t matter whether you produce energy from coal, gas or petroleum, one should only be concerned about the emissions. And if you are able to reduce emissions while producing electricity from coal, then coal is as good as anything.”

“We have laid down very stringent norms for emissions from power plants,” Singh added.

Policy soon

Joshi said the Ministry has been evaluating a slew of measures of attract more investment in coal mining. These include commercial coal mining, allowing auction of mines with less than three bidders and permitting the sale of 25 per cent coal committed production in the open market.

“The current size of coal blocks is very small, and to attract global investors, we need bigger blocks. We are deliberating on all issues and within a fortnight or a month, we will come out with a policy for the same,” Joshi said.

“The FDI proposal has been approved and is on track. Now, within the Coal Ministry we need to make some changes to attract investors...A proposal for the same is yet to be finalised, and needs the approval of the Cabinet and the Prime Minister,” Joshi said.