

CIL, NTPC plan host of projects despite supply constraints

FE BUREAU

Kolkata, September 12

COAL STOCKS IN NTPC's 13 (out of 22) power plants are at a critical level despite Coal India monitoring production, despatch and evacuation on a day-to-day basis to rush supply to the plants. NTPC's director of finance Kulamani Biswal has said that stocks in these power plants were for less than three days, while the average stock of all the 22 plants was seven days.

"The stock should ideally be for 15 days but since CIL is producing less coal, the power plants are unable to build up their stock," Biswal said on the sidelines of mjunction's coal market conference.

Biswal also said that coal in the NTPC plants, with a requirement of 170 million tonne per annum, was 37 lakh tonne at present against 50 lakh tonne during the same period last year.

However, CIL's director (marketing) SN Prasad said the company was well on track to produce 1 billion tonne of coal by 2022, although CESC advisor and former CIL CMD Partha S Bhattacharyya said that with an average 7% growth year-on-year, CIL would be able to produce 750 MT within the stipulated time frame.

"Neither 1 billion tonne is required nor CIL will be able to produce that much," Bhattacharyya said.

Prasad said that CIL would enter into iron ore, copper, nickel and bauxite mining in order to give leverage to its capability. Although, he didn't divulge the details of the other minerals mining plan, he said that CIL was scouting for copper and nickel mines abroad.

CIL has planned to create a solar portfolio of 20,000 MW for which it has 40,000 hectares of land in possession. It is already in talks with Solar Energy Corporation of India for implementing the solar projects. CIL



would also set up a 4x800 MW coal-fired plant in North Karanpura, while the fertiliser plant at Talcher would be revived. The fertiliser plant, a JV of CIL, GAIL, Rashtriya Chemical and Fertiliser and Fertiliser Corporation of India, is being revived at a cost of ₹8,700 crore. The plant is expected to start operation by 2020.

NTPC, on the other hand, is close to acquiring the 1000 MW Chhabra thermal power plant from Rajasthan Rajya Vidyut Utpadan. The RVUL would build another two units of 660 MW each and transfer it to NTPC.

"This would be an equity deal. The cost would be calculated on the basis of regulated depreciated bank value and CERC will finalise it. The cost is likely to work at around ₹4000 crore," Biswal said. Building the 4x250 MW units would incur a cost ₹5,885 crore while 2x 660 MW units would cost ₹7,900 crore.

NTPC also plans to replace two power plants at Talcher (5x 200MW) and Singrauli (5x 200MW) with 2x 660 MW for each location. The estimated cost would be ₹7 crore per MW, Biswal said, adding that Talcher would be commissioned by 2021 and the Singrauli plant would come up in less than three years. The old plants would be dismantled after the new ones are commissioned. Both the plants would come up on the land adjacent to the existing power units, Biswal said.