

## MAHAGENCO'S URGENT CLARIFICATION

News regarding coal shortage faced by Mahagenco are being published through various media since last 2 to 3 days.

Considering the above background, on the basis of factual information Mahagenco presents the following:

Presently the installed capacity of Mahagenco's 7 coal based stations is about 10,000 MW. Annually about 56 million MT coal is required to run this capacity; out of which around 46.92 million MT is sourced through FSA linkage for the old units and 9.18 million MT for new units through bridge linkage. M/s. WCL, M/s MCL, M/s SECL and M/s SCCL are the main coal companies which are supplying this coal as per the terms & conditions of the FSA.

On 31<sup>st</sup> July 2016 the coal stock available with Mahagenco was 3.182 million MT. At that time the overall power demand in the state was low and some of the Mahagenco's units were under reserved shutdown as per Merit Order Dispatch (MOD) modality & also due to scarcity of water the units at Parali TPS were not in service. Hence, the coal stock available at that time was adequate for 22 days' operation. However, from September 2016 the state power demand started rising and accordingly Mahagenco ramped up its production to 6000 MW with production from Mahagenco's New Units at Chandrapur, Koradi and Parali.

As compared to 2016, 310 MUs, 632.41 MUs and 1353.63 MUs were generated more in June 2017, July 2017 & August 2017 respectively, totally 2296.56 MUs more thermal generation. This has resulted in correspondingly higher consumption of coal resulting in reduction in coal stock.

As per term & conditions of FSA, Mahagenco has timely intimated M/s Coal India Ltd. regarding the increase in coal demand during FY2017-18. All Coal companies have always co-operated with Mahagenco to achieve higher generation target so as to cater rising state demand. However, in the current monsoon season there are some disturbances observed in coal supply due to natural calamities like flooding. Irrespective of such situation, all Coal Companies are taking sincere efforts to supply adequate coal to Mahagenco units. Mahagenco is very much hopeful that the situation will be resolved in few days.

Since last one year Mahagenco and GoM has continuously followed up the matter at higher level with Ministry of coal and various Coal companies regarding adequate coal supply. In last six months, CMD Mahagenco has personally called on Chairman Coal India, about the coal shortage and requested to augment the coal supply.

During the meeting held on 30-06-2017 at Delhi, Secretary Power (GoI) had directed all generation companies to maintain 22 days' coal stock. Accordingly on 15-07-2017 CMD Mahagenco had communicated to M/s Coal India and all Coal companies that Mahagenco can maintain the 22 days' coal stock if 30 coal Racks/day are supplied to Mahagenco. Additional Secretary Ministry of Power (Delhi) convened urgent meeting on 04-09-2017 and directed all coal companies to supply adequate coal; to reduce the gap between demand & supply of coal.

Based on above it is to clarify that, now coal supply situation is definitely improving and as monsoon season is likely to end in near future; it is expected that there will be regular coal supply from coal companies which will help to increase the Coal stock and Generation from Power Stations.