

# Tata's Mundra plant switches to higher-grade coal

Ultra mega power station needs  
12 million tonnes of imported coal a year

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Mumbai, July 1

Tata Power's ultra mega power plant in Mundra, Gujarat, has switched to higher-grade coal from the lower calorific blended fuel it was using to generate electricity.

The 4,000-MW plant, which requires about 12 million tonnes of imported coal a year or about 40,000 tonnes of coal a day, receives four to five shipments of 1.60 lakh tonnes each a month.

The coal is channelled to the plant via a 13-km conveyor from the Mundra port.

The switch to higher calorific fuel of 5,350 kilocalories per kilogram (kcal/kg) follows the Central Electricity Regulatory Commission's order in February to power

plants to use high quality coal, based on the Deepak Parekh Committee report, which said blending lower grade coal with high quality fuel was not commercially viable as the cost was offset by coal transportation and handling charges. The Mundra plant was using lower calorific blended mix coal of about 4,800 kcal/kg.

The panel had taken the price of higher grade fuel at \$64.38 a tonne. The regulator had also accepted the panel's report on compensatory tariff for the Mundra plant.

In 2012, Tata Power resorted to blending lower grade coal of 4,600 kcal/kg with the 5,350-kcal/kg fuel to cut fuel losses, following the Indonesian Government's decision to benchmark all coal ship-



Powering ahead Tata Power's 4,000 MW Mundra Plant

ments out of Jakarta to international prices in September 2011. After a series of trials in 2012, the

company arrived at an optimal mix of 70:30.

Tata Power had earlier contract-

ed coal for prices far lower than the international prices, which stood nullified by the Indonesian

Government's decision. The company had also petitioned the electricity regulator for a tariff hike stating it was losing over ₹1,600 crore annually due to the increase in the cost of fuel. Krishna Kumar Sharma, Executive Director and CEO, Coastal Gujarat Power Ltd (CGPL), said the blending made sense when coal prices were at about \$100 a tonne. However, given the current prices, the 5,350-kcal/kg coal was appropriate.

Of the five units of 800 MW each at the plant, except for one using a small quantity of blended coal that was in stock, the rest had switched to the higher-grade fuel, he added.

CGPL is a wholly-owned subsidiary of Tata Power, which implemented the Mundra project.

*(The reporter was recently in Mundra at the invitation of Tata Power)*