Tata Power cuts UMPP cost via coal mix

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Mumbai: Coastal Gujarat Power Ltd (CGPL), a subsidiary of Tata Power Company that operates India's first ultra-mega power project (UMPP) at Mundra, has begun using a blend of almost 20 different varieties of coal in order to reduce costs without sacrificing efficiency of plant operations.

CGPL's power plant is the first live project amongst the 4 UMPPs of 4,000 mega watt each, awarded by the government till date.

The cost reduction exercise became critically important when the prices for imported coal went up. This was because Indonesia (and then every other coal exporting country) imposed huge export duties, making the coal India imported that much more expensive.

Though the Central Electricity Authority (CEA) has allowed CGPL and similar plants to raise their tariffs, irrespective of their power purchase agreements (PPAs) already signed, the matter is still subjudice as some states have challenged CEA's move. Blending of coal at a record level is one of the successive innovative strategies that CGPL has worked out to keep its losses down, without jeopardising the quantum or quality of power it had committed to generate for the five purchasing states, till the tariff issue is sorted out by the court.

Krishna Kumar Sharma, CGPL's executive director & CEO, claims that the Mundra plant is arguably the most energy-efficient, coal-based thermal power plant in the country. "As compared to any other subcritical power plant in India, this project saves 1.7 million tonnes of coal per year, thus averting carbon emissions of almost 4 million tonnes annually. The greenhouse gas emissions per kilowatt hour of energy generated will be about 750 gm of carbon dioxide per kWh, as compared to India's national average of 1,259 gm CO_2/ kWh for coal-based power plants. The choice of imported coal significantly lowers sulphur emissions. The plant will use significantly less than the stipulated 1% sulphur and 10% ash content in coal," says Sharma.

The need to focus on blended coal was taken up on a war footing when CGPL's cost of imported coal shot up. The Indonesian government decreed that the difference between any negotiated price of purchase and the international market price would be payable as export duties. Subsequently, other coal exporting countries also introduced similar legislations. **Turn to page 12**

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