

Prospects for Coal Movement through IWT

IWAI

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Present Scenario

- Thermal Power Plants main source of energy (70%) in India
- Major coal fields located in Eastern India – Jharkhand, West Bengal, Orissa, Chhatisgarh
- Thermal Power Plants located all over the country
- Timely transportation of coal from coal fields to TPS major challenge
- In 2006-07 railways evacuated about 53.4%; merry-go-round - 23.9% and road - 22.5% of total coal off-take
- Share of road transport is going up & railways declining
- Shortfall in wagon availability along with 120% line occupancy ratio on Eastern, South Eastern & East Coast railway routes, compounds problem for CIL

Agenda -1

**Meeting Coal requirement of NTPC
Thermal Power Plants located at
Farakka, Kahalgaon & Barh**

National Waterway-1

Ganga – Bhagirathi – Hooghly river system

Haldia(Sagar island) – Allahabad –1620 km



Coal shortage for NTPC plants in WB & Bihar

- CEA reports reveal that Farakka & Kahalgaon STPS are facing coal shortage due to inadequate coal availability in linked mine ECL (Rajmahal)
- Due to Andal - Santhia singleline section, railways could not supply more than 7 rakes per day from other source including imported coal
- NTPC has reported annual coal shortfall of 1.2 mt for Farakka & 1.6 mt for Kahalgaon STPS
- Unit-6 of Farakka (500 MW) likely to be commissioned by Dec.2010
- Units of Barh STPS of NTPC are likely to be commissioned beginning late 2012

Coal Movement through IWT

- MoU between IWAI & NTPC signed in Sept.2008
- Feasibility study by IL&FS
 - coal received at Trans-shipper placed at Sagar Islands
 - can be taken to Farakka & Kahalgaon through IWT
 - at rates competitive with present payments
- Hitch is that a long term contract for supply of coal through IWT for about 7-10 yrs. needed as supplier has to make capital investment of over Rs.300 crore
- In case coal is imported, NTPC / its agents will need to firm up long term coal import contracts
- Ministry of Coal / Power will need to permit NTPC to import 3 mt coal through IWT for Farakka & Kahalgaon for about ten years

Way Forward

- No change in existing practice of awarding contract or making payments
- IWAI plays the role of facilitator / regulator
- Parties to bid for bringing coal from coal mine / trans-shipper to coal stack yard of Farakka & Kahalgaon STPS
- Ministry of Water Resources to give permission for right of use of eight acres of vacant land at Farakka for setting up coal handling equipments for ten years to MoS / IWAI with clear understanding that it would be made available to the successful bidder
- FBPA would begin to receive rental value from an asset lying unutilized
- NTPC to make investment in setting up coal handling facilities on river terminal at Kahalgaon & Barh

Way Forward

- NTPC gets assured and economically viable supply of coal for its 'coal starved' power plants
- Movement of coal through IWT commences on NW 1 paving the way for similar movement to other existing / upcoming power plants
- Muzaffarpur, Barkeshwar, Titagarh & Tenughat TPS are also suffering from inadequate linkage
- Multi-modal transport logistics works to advantage of railways / road transport / IWT / consumers
- Power starved eastern region of country benefits
- Coal supply can commence within 18 months of award of contract
- IWAI develops Haldia river terminal as a PPP project
- IWT emerges as a supplementary mode for movement of bulk cargo

Agenda - 2

**Evacuation of coal from
Mahanadi Coal Fields (MCL)
through IWT**

National Waterway-5

(East Coast Canal integrated with Brahmani and Mahanadi delta river system)



Domestic coal from Mahanadi Coal fields

Distances

Phase 1: Haldia-Farakka (Water)-526 Km.

Phase 2: Farakka-Kahalgaon (Water)-148 Km- Barh- 190 Km.

Phase 3: Paradip-Haldia (Coast)-220 Km.
Talcher-Paradip (Rail)-195 Km.



Dilemma of CIL

- CIL is facing problems in evacuation of coal from Mahanadi Coal Fields (MCL) & North Eastern Coal Fields (NEC)
- Capacity constraints of railways; saturation of Paradip port
- Increased coal production cannot be taken to consumers
- Consumers – Power Plants, secondary Steel producers, sponge iron units - located mainly in North, East, North East
- Explore possibility of tapping IWT for evacuation of coal
- NW 5 has been notified by GoI in Nov. 2008
 - Talcher – Dhamra – 265 km. stretch
 - Manglagadi to Paradip -101 km.
 - Five barrages with navigation locks to come up at an estimated cost of Rs.2000 crore
 - Its full development for coal movement may require investments of about Rs.3000 crore – fairway, terminals, loading / unloading facilities, vessels

Way Ahead

- IWAI & CIL can enter into a MoU to explore possibility of utilizing IWT for evacuation of coal from Mahanadi Coal Fields & NEC to various consumption points on NW 1 & NW 2
- Feasibility of setting up coal dumps at suitable locations on NW 1 & 2 to cater to the requirements of secondary steel producers, sponge iron units etc. can also be examined
- IWAI to get the feasibility studies done through IL&FS – its PDO
- Cost of studies to be met equally by IWAI & CIL
- Possibility of capital investment by CIL, NTPC, IWAI, logistics companies can also be explored by IL&FS
- Development of Talcher – Dhamra – Paradip portion of NW 5 in the next 36-48 months possible

THANK YOU