

Govt, industry discuss ways to add 80 GW coal capacity by FY32

WAY AHEAD. Thermal is going to stay until energy storage becomes cost-effective: Power Minister RK Singh

Our Bureau
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Power Minister RK Singh on Tuesday held deliberations with industry stakeholders on the government's target to add 80 gigawatt (GW) coal-fired capacity, as India's surging power demand has already hit 241 GW earlier this year against the installed capacity of 214 GW.

The meeting was attended by officials from the Ministry, State governments, Central Electricity Authority (CEA), NTPC, REC, PFC, BHEL, and industry participants including independent power producers (IPPs) and vendors, the Power Ministry said on Wednesday.

Singh informed the participants about the government's decision to add 80 GW thermal power capacity by FY32 to meet the nation's power requirements.

"Power demand of the country has increased at an unprecedented rate due to rapid growth of the economy.

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RK SINGH
Power Minister

India needs 24x7 availability of power for its economic growth; and we are not going to compromise on availability of power for our growth. This power cannot be achieved by renewable energy sources alone. Since nuclear capacity cannot be added at a rapid pace, we have to add coal-based thermal capacity for meeting our energy needs. We have 27 GW under construction, and we had thought that we will add another 25 GW. But we have decided that we will start work on at least 55-60 GW of thermal capacity. As



demand keeps accelerating, we will keep adding this capacity," the Minister said.

CAPACITY ADDITION

As per the projections of the National Electricity Plan for 2022-32, the required coal and lignite-based installed capacity will be 283 GW by FY32 against the current installed capacity of 214 GW.

Singh impressed upon States the need for timely renovation, modernisation, or life extension of existing thermal plants. "If you do not maintain your thermal capa-

city and instead expect us to give power from the central reserve, that is not going to happen. We will allocate additional power to those States which are maintaining and running their capacities. Further, those who want to add capacities may do so," he said.

Given the rising demand, the power industry will continue to receive orders for thermal capacity addition over the next 5-7 years. "Thermal energy was written off a few years ago, which was premature. Thermal cannot be written off until energy storage becomes viable. So, thermal is going to stay until energy storage becomes cost-effective for round-the-clock supply through renewable energy," the Minister told the industry representative.

Singh stressed that assistance from the outside world may be limited, so the industry must be ready for indigenous development and use this as a challenge to evolve and grow.

"Demand will continue to grow at a rapid pace. Prices in exchange are going to remain

high. Those who add capacity will gain and those who don't will miss out on a golden opportunity," he added. The Minister said the next 20-25 years will be a suppliers' market. He advised the industry to ramp up manufacturing capacities.

INDUSTRY CONCERNS

The EPC vendors such as GE and L&T voiced their concerns regarding the bidding process and were assured these would be looked into. Other equipment suppliers also raised issues like shortage of credit in the market, bank guarantees, qualifying requirements and technical specifications.

The Minister asked the vendors and contractors to submit their concerns and suggestions in order that workable solutions may be devised. He assured them that the discoms' future power requirements will be collated and shared with the power developers and asked them, in turn, to share how much they can ramp up.