



Coal shortage in India

Description

Theme:

- In October 2021, India faced the highest power shortages in the last 5 years due to coal shortage.

The reasons for coal shortage in India:

- After the lockdowns were lifted, the reopening of the economy increased the demand for power to a great extent. Not just in India, but internationally the demand for power was increased, which led to a global coal shortage.
- Due to the global coal shortage, coal prices have increased and thereby coal imports became costlier. This forced power plants to reduce coal imports, which caused pressure on domestic coal supplies.
- State Gencos have dues of approx. Rs. 16,000 crore to Coal India. So, Coal India reduced supplies to the power plants with large outstanding payments.
- The above-average rainfall in September disrupted domestic coal production and transportation of supplies.

Consequences of coal shortage:

- In October, many Indian states suffered power cuts.

Steps taken by the Indian government:

- Coal India Limited took steps to increase the coal supply to meet the increasing demand. In general, coal reserves at power plants last for 15 to 30 days. But in October, power plants had less than four days of coal stocks. After increasing the coal supply, now power plants have about 7 days of coal stocks.



What more need to be done:

- Coal is the dirtiest fossil fuel. At present, in India 70% of electricity needs are met through thermal power plants. Despite having the fourth largest coal reserves, India is the second-largest importer of coal after China. India is already taking steps to increase its share of renewable energy. But there is a need to accelerate the process to reduce the dependence on coal production and imports. This will also help India in reaching the goal of achieving carbon neutrality by 2070 (This goal was announced at the COP-26 summit).
- Micro-scale biogas plants, Rooftop solar panels & rooftop wind turbines should be promoted. This will result in energy self-sufficiency for many. Increasing the production of renewable energy both at the micro and macro levels will help in accelerating the energy transition to clean energy.

Conclusion:

Coal shortage in October 2021 led to severe power outage. Assessing and predicting the situation beforehand is essential to prevent the repetition of the same situation in future. Moreover, increasing the share of renewable energy is very important to reduce the dependence on coal production and imports.

Your Turn!

What are your thoughts on the coal crisis? Express your point of view through the comment section below. And subscribe to our blog to read answers to the trending GD topics.

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References:

- [Coal shortage easing at plants, power price falls on exchange](#)
 - [October's Power Supply Shortage Was the Worst Since January 2017](#)
 - [Indian Government ramps up coal stocks](#)
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