



Centre to allow Swapping of Coal

Why in news?

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Power Minister has announced schemes to raise liquidity and enable swapping of coal.

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What are the measures?

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- **Raising Liquidity** - Power minister Piyush Goyal said that the ministry was looking at making regulatory changes to enable public sector entity Power Grid to divert some of its operational assets and use the liquidity for future projects.

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- Currently, Power Grid has accumulated gross fixed assets worth Rs 1.5 lakh crore. The company has been investing over Rs 20,000 crore as capital expenditure each year in the last few years and is expected to spend Rs 25,000 crore in the current fiscal.

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- Government officials, however, said that the proposal for hiving off Power Grid assets was still at a conceptual stage and any further development would require an extensive study of various options.

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- **Coal Swapping** - In May, the government had allowed coal swapping among central and state-owned power plants to bring in operational efficiency.

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- Now it also announced that the government would allow swapping of coal among government and private firms.

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What is Coal Mitra Portal?

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- To facilitate the coal swapping, Goyal launched 'Coal Mitra' web portal, which would indicate the most efficient way of utilising coal from by an end-user.

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- The Portal has been designed to bring about flexibility in Utilization of Domestic Coal by transferring the reserves to more cost efficient State/Centre owned or Private sector generating stations, leading to lower generation costs and ultimately lesser cost of electricity for the consumers

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- The portal would be used by the state and central generation companies to display information about normative fixed and variable charges of electricity for the previous month as well as margin available for additional generation to enable the utilities in identifying stations for transfer of coal.

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- It would host data on operational and financial parameters of each coal based station; quantity and source of supply coal to the power plant; and distance of power plant form the coal mine.

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Source: The Indian Express

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