

**Joint Standing Committee on Foreign Affairs and Trade
Trade Subcommittee**

Hearing of 12 November 2008 regarding the inquiry into Australia's Trade and Investment Relations with Asia,
the Pacific and Latin America

Senator Forshaw– the following answers have been provided by Austrade to the honourable Senator's question:

At what development stage are the thermal power stations in India?

- The existing coal-based thermal power capacity (installed) is 76,988.88 MW. The total power generating capacity in India (installed) is 146,752.81 MW. (Source: Minister of Power, Government of India)
- Power generation growth is expected to keep pace with GDP growth in India. This would require the present installed capacity to increase to 800,000 MW in 2031-32. In the shorter term, it is proposed to increase power generating capacity by 100,000 MW between the present and 2012. (Source: Ministry of Power, Government of India)
- Several new thermal power stations are planned for India, including both inland pit head power stations, to be located near coal mines in India, as well as coastal power stations, to be located at or near ports, using imported coal.
- As a major initiative, nine large coal-based Ultra Mega Power Projects of 4,000 MW each are to be developed by the Government of India. Some have crossed the bidding stage, others are expected to do so shortly. Some will be coastal projects with imported coal and some will be pit head integrated coal mining cum power projects.
- There are also several projects, some port-based, some pithead-based, some inland-based (but not at pitheads) for capacities in the range of 400-1000 MW.

Where are (or will be) they located?

List of proposed Ultra Mega Power Projects (UMPPs)

- As of April 2008, nine UMPPs have been planned in Karnataka, Chattisgarh, Madhya Pradesh, Andhra Pradesh, Maharashtra, Orissa, Tamil Nadu, Gujarat and Jharkhand:

State	Location
Chhattisgarh	Akaltara
Gujarat	Mundra
Karnataka	Tadri
Madhya Pradesh	Sasan
Maharashtra	Giriyee
Andhra Pradesh	Krishnapatnam
Orissa	Sundergarh district
Tamil Nadu	Cheyur
Jharkhand	Tilaiyya

- Of these, the ones planned in Chattisgarh, Madhya Pradesh, Orissa and Jharkhand will come up at pithead locations (near coal mines) and use domestic fuel. The rest will come up in coastal locations with easy access to imported coal.
- At the request of the state governments of Andhra Pradesh and Orissa, two more sites have been identified which consist of a pithead site in Ib-Valley coalfield in Orissa and a coastal site at

Krishnapatnam in Andhra Pradesh. The contract for the Mundra UMPP has been awarded to Tata Power while the Sasan and Krishnapatnam contracts have been awarded to Reliance Power Limited.

Are all of them going to have coal delivered from captive mines?

- The following coastal power plants would not have coal delivered from captive mines: Mundra (Gujarat), Tadri (Karnataka), Giriye (Maharashtra), Krishnapatnam (Andhra Pradesh) and Cheyyur (Tamil Nadu).

And if that is not the case, how much might be allocated for imports and would those imports likely come from Australia?

- The five Ultra Mega Power projects which are port-based require an installed capacity planned for imported coal of 20,000 MW. A further 5,000-10,000 MW equivalent could be assumed for the smaller power stations.
- At present, around 30 million tonnes of Indonesian coal is being imported into India. Another 10-20 million tonnes is estimated to be imported from South Africa, other African countries and Australia.
- Imports of Australian thermal coal are currently very small, and erratic. The two main reasons are:
 - a. Freight cost (which was very high, but has reduced substantially due to the global financial crisis) and
 - b. Constraints of port capacity: The coal is mainly from the eastern states of Queensland and NSW. Some small shipments of Collie coal from WA have commenced. However, Collie coal mines are of small capacity, and the port of Bunbury is also constrained.
- In future, there would be scope for increasing imports of Australian thermal coal to India. Whilst most of such coal would come from the eastern states, if WA coal output is increased, and the port constraints overcome, this coal would attract a substantially lower freight cost.
- The Western Australian Coal Futures Group visited India in early 2007.