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Relevant for: Indian Economy | Topic: Infrastructure: Energy incl. Renewable & Non-renewable

NEW DELHI : State-run Coal India Ltd is diversifying into aluminium production, solar power generation and coal gasification as it seeks to decarbonize its operations.

The company is awaiting certain clearances for its planned integrated greenfield aluminium project in Odisha, two officials aware of the matter said. A government panel chaired by chief minister Naveen Patnaik had approved the project in December.

The company has applied for a bauxite block at Sijimali or Kutrumali in Odisha, and has sought expressions of interest for an equity partner.

The officials cited above said on condition of anonymity that no estimated timeline to complete the project can be given at the current stage.

Initially, Coal India had planned a joint venture along with National Aluminium Corp. Ltd (NALCO), wherein Mahanadi Coalfields Ltd (MCL), a subsidiary of CIL, will hold 74% and NALCO the rest. Further, alumina and coal for the project was proposed to be supplied by NALCO and MCL, respectively.

However, the joint venture plan was dropped last August, following which it was proposed to set up an integrated greenfield aluminium project including bauxite mining, alumina refinery, and an aluminium and associated coal preparation plant.

In October, Coal India also approved a pre-feasibility report to set up the integrated greenfield aluminium project by Mahanadi Coalfields.

The decarbonization process gained momentum for PSUs following the government's energy transition push and the net zero carbon emission target by 2070.

Stressing on the energy transition and diversification process, Union coal secretary Anil Kumar Jain recently said: "CIL is diversifying; they are getting into coal gasification, they are looking at aluminium...they are looking at non-coal businesses."

Last year, the government floated the National Coal Gasification Mission, and Coal India plans to support gasification of 100 million tonnes of coal by FY30.

Furthermore, in its venture into the renewable energy business, the company in April 2021 incorporated CIL Navikarniya Urja Ltd as a subsidiary.

Coal India plans to achieve 3,000 MW solar power capacity by FY30. As of 22 January, CIL has installed 8.436 MW of renewable energy capacity.

The officials cited above said it will invest in gasification and solar power, but for other diversification projects, it would largely support in terms of infrastructure and land, while much of the capital infusion will be from its partners. "These partners will also bring in the technology required for new businesses," one of the two officials said.

The state-run major is also participating in pan-India tenders for developing solar power projects and realize its goal of becoming a net-zero energy company.

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