

Coal India reopens 32 mines as green energy fails to keep pace with demand

ANDRES SCHIPANI — KOLKATA

The world's largest coal producing company is reopening over 30 mines and launching up to five more on greenfield sites this year, saying the renewables sector is unable to meet growing energy demand.

PM Prasad, chair of state-owned Coal India, told the Financial Times in an interview that he was reopening 32 defunct coal mines on a revenue-sharing basis with privately owned local partners, with half a dozen scheduled to start production in the fiscal year 2025-26.

The mines were previously shut down because they were left uneconomical by their reliance on "manual mining" and "small machines", he said. "By the time renewable generation and battery stor-

age systems become bigger, better and more efficient, then the share of coal can come down."

India's coal ministry announced plans in December to bring closed mines back online to increase production and reduce imports. "This is now happening," Prasad said. The government has awarded tenders for 27 mines this year and five are "in the pipeline".

India has the fifth-largest coal reserves and the government has said the fuel "remains crucial". The world's fastest-growing major economy has been resisting international pressure to scale back consumption more quickly and expects overall domestic coal production to grow by 6-7 per cent annually, reaching 1.5bn tonnes by 2030.

Most demand is met by domestic production, mainly by Coal India. The company has 310 mines operating across

the country, supplying about three-quarters of national demand.

Despite big investments in solar and wind farms by conglomerates such as Tata Group, India still relies on coal for 74 per cent of its electricity generation. The government forecasts that will fall to 55 per cent by 2030 and 27 per cent by 2047.

Investment in renewable energy totalled more than \$13bn last year, far short of the \$68bn needed annually to achieve the government's goal of producing 500 gigawatts of power from green sources by 2030, according to energy think-tank Ember.

Prasad said the state-run miner was sticking to Prime Minister Narendra Modi's commitment for the country to reach net zero carbon emissions in less than five decades. "We will reach peak coal by 2035," he said.