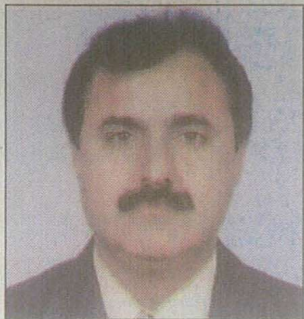


Thar Coal a means to long-term energy security



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and the private sector, where in the private sector would undertake long-term investment and the government would provide enabling environment through building institutional and physical infrastructure.

The institutional infrastructure includes an empowered governing body which can act as a one stop organization for investors and which can take policy decisions necessary for attracting the investors.

Thar Coal & Energy Board (TCEB) is such an organization in case of Thar Coal. The mandate of TCEB is to undertake strategic decisions pertaining to Thar coal mining, coal-fired power generation or other uses.

It is a unique organization where both federal and provincial governments sit together and take decision after due deliberation and consensus.

TCEB since its creation has provided an institutional and policy framework for the promotion and facilitation of investment in Thar Coal, has acted as a lead institution to coordinate the overall development of the Thar Coal Basin and has coordinated with Federal, Provincial and District stakeholders.

As a result of this coordi-

nated effort, it has facilitated investors in obtaining permits and licensing, in finalizing coal pricing mechanism and securing financial arrangements for infrastructure development required for Thar Coal development.

This process of creating an enabling institutional environment would facilitate developing coal mining as a fully grown sector, with availability of safety-valves against investment risks, provision of tenure security and evolving an 'integrated link' of mining with power generation.

These strategic provisions play key role in developing large scale mining and power generation for achieving targets as envisioned in 'Energy vision 2020' and 'The Tenth Five Year People's Plan'.

The Government of Sindh is fully committed to provide the required infrastructure facilities. It has approved following development schemes for the fast track execution:

a) Water carrier for 300 cusecs from Makhi-Farash to Islamkot

b) Effluent and Waste Water Disposal/Management system

c) Transmission Lines Network for evacuation of power. The NTDC has awarded feasibility for construction of 3x500 HVAC Transmission line to M/s SNC Lavlin of Canada. The Scheme for construction of transmission Line from Thar to Matiari envisages dispersal of power generated by the proposed Power Plant based on Thar Coal as well as inter-connection of Thar Coal Plant with National Grid with implementation by NTDC within 36 month.

d) Heavy Duty Road and Broad Gauge Railway line for transportation of heavy mining machinery: Government of Sindh has approved a proposal for improvement and widening of Thatta-Sujawal-Badin road covering up to 199.314 KM and widening/reconditioning of 133.20 KM road from near to Badin up to Thar Coalfield.

Besides, the above, following schemes are in execution

i) Islamkot Air Port being executed by Civil Aviation Authority

ii) Installation of Reverse Osmosis Plants in Thar for portable water for residents as well as project staff: Under this scheme, brackish/saline groundwater is being converted into potable water through sophisticated Reverse Osmosis (water desalination) technology. These plants are successfully operating and potable water is being supplied through existing water supply scheme, as well as, through tankers free of charge. Currently, 29 RO plants are in operation providing 1.5 MG/D. Another 29 RO plants are being installed which will provide 1.2MG/D purified drinking water. From these plants pure, safe drinking water is being provided to 30

villages covering population of about 40,000 people through pipeline and tankers. The Government of Sindh approved installation of further 25 Reverse Osmosis (water desalination) plants to be installed at coal producing districts Thatta, Badin, Dadu/Jamshoro. Procurement of the plant has been completed and civil works for 19 sites in district Badin are in full swing and will be completed by June, 2010.

iii) Provision of fiber-optic line for internet and communication

iv) Construction of Thar-lodge at Islamkot with 10 chalets and dormitory.

More over Government of Sindh in order to provide enabling environment has undertaken following tasks under the PPF of World Bank assisted Thar Coal and Power Project.

a) Long Pumping Test for Underground Water

under the supervision of international water specialist through M/s DRD a national exploration and drilling company: This test in Thar Coalfield has been completed to gather information including age of water, chemical composition and various hydro-geological differentiations. The results of this test have contributed significantly to technical experts evaluating availability and possibility of utilizing underground water aquifers in Thar Coalfields.

b) ESIA including Resettlement Frameworks, Land Use Plan and development of Geographical Information System (GIS) for Thar Coalfields.

c) Preparation of Water Master Plan including hydro-geological, water supply and waste water management for the entire Thar Coalfield area.

d) Establishment of Thar Coal mining and Power Training Institute Mithi: The infrastructure development along with mining process that has been initiated in Thar coalfield will have significant social impact in the area. It may be an opportunity for constructive change if the communities are appropriately prepared in advance. In this regard, Government of Sindh intends to invest in human capabilities in a way that the people of an 'agrarian society' can manage a smooth transformation into the new emerging 'mining - culture'. For the purpose, Government of Sindh plans to upgrade the Thar Coal mining and Power Training Institute by affiliating it with some international institute of repute which shall confer its certification degree to and offer more avenues of skill development, value addition and creative careers for the youth of Thar and the province, as well as can meet job demand created by development of Thar

Coal Industry.

Following projects are being executed in Thar at present:

"Joint Venture between Government of Sindh and Engro Corp and Establishment of Sindh Engro Mining Company: Government of Sindh entered into a Joint Venture with one of the largest group of country M/s. Engro Group for development of coal mine and establishment of power plant at Thar coalfield, Block-II. The joint venture for mining is based on 60 percent contribution from Engro, and 40 percent from Government of Sindh, leading to development of 1200 MW power generation project by 2015-16. A company titled 'Sindh Engro Coal Mining Company (SECMC)' has been formed under companies' ordinance. SECMC has completed its 'Detailed Bankable Feasibility.' Total investment under this project is expected to US\$ 3.50 billion.

"GoS/GoP Under Ground Coal Gasification Pilot Project: 'Under Ground Coal Gasification (UCG) Pilot Project of 2x50 MW IGCC power plant in Thar Coal Block V. The project is being implemented and managed by a 'Governing Body' with Dr Samar Mubarakmand, a renowned nuclear scientist as its Chairman. Technical design of UCG wells and prefabricated camp design have been completed

"Oracle Coalfields-PLC. UK: M/s Oracle Coalfields PLC. for development of coal mine and installation of Power Plant of 300 MW extendable to 1100 MW in Thar Coal Block VI. Oracle Plc is listed on London Stock Exchange exclusively to explore, mine and produce coal in Sindh Province as feedstock to fuel the electricity market. The company has initiated work on preparing 'bankable feasibility' which is expected to be completed by end of 2010.

"M/S Cougar Energy (UK): M/s. Cougar Energy (UK) has been allocated block III for underground coal gasification, to develop a 400 MW power plant. Preliminary Feasibility will be completed in 18 months to decide preferred location for the pilot burn and its commercial operation.