

5th December 2012

INDUSTRY BODY CALLS FOR NEW COAL STRATEGY

CoalImp, the Association of UK Coal Importers, has called for a new coal strategy to complement the Government's gas strategy, announced today.

Nigel Yaxley, managing director of CoalImp said: "This year approximately 40 per cent of the UK's electricity has been generated from coal, and at times it has been supplying over 50% of demand.

"UK consumers have been protected from the full impact of high prices of gas-fired electricity by the diversity of our power generation system, which can still benefit from the reliability, flexibility and relatively low cost of coal, the world's most abundant fuel.

"Last week's Energy Bill was rightly concerned mainly with future investment, but by failing to acknowledge the importance of coal today the Government risks a less competitive UK economy tomorrow."

Nigel Yaxley added that Government plans for long-term decarbonisation of the electricity system must not rely too heavily on any one fuel or technology.

"CoalImp fully welcomes the Government's commitment to Carbon Capture and Storage (CCS), but there is a risk that it is too little too late," he said. "CCS is crucial in a world context where coal remains the fastest growing fossil fuel, and a recent report has confirmed that CCS has the potential to compete with other low carbon forms of energy by the 2020s."

The managing director of CoalImp has also noted Energy and Climate Change Secretary Ed Davey's warning that development of UK shale gas resources will not lead to an era of cheap gas.

"This is one of the main reasons we have called for the development of a new strategy for coal," he explained. "It's vital we ensure that the UK can continue to benefit from the world's most abundant and low cost fuel at the same time as leading the way to a future where coal is utilised in a clean and fully sustainable manner.

"Failure to do this will mean the UK's extensive coal infrastructure and associated jobs will be lost, the electricity system will lose valuable diversity, and prices will rise."

"By providing low cost, reliable electricity, coal can already address several of the most pressing issues facing the UK energy sector. Carbon capture and storage would mean it can also be low carbon. A clear bridge is needed from today, when coal is still generating 40 per cent of our electricity from the reliable workhorses we take for granted, to the CCS-equipped plants of the future."

Ends.

For Additional Information

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Notes for Editors

CoalImp, The Association of UK Coal Importers, is the trade association for companies involved in importing coal to the UK, including major end users, rail companies, ports and other companies with a physical presence in the supply chain.

At 39.5%, more electricity was produced from coal over the first nine months of this year than from any other fuel source (gas 26.9%, nuclear 20.6%, others (including renewables) 13.0%). The UK consumed 62.1 million tonnes of coal in the twelve months to September 2012, including 52.7 million tonnes in power stations. Coal imports to the UK over this period were 42.8 million tonnes, representing over two thirds of the total supply. (Source - DECC statistics)

http://www.decc.gov.uk/en/content/cms/statistics/energy_stats/source/source.aspx

The Carbon Capture and Storage Cost Reduction Task Force interim report confirming that CCS has the potential to compete with other low carbon forms of energy by the 2020s is available via the DECC website.

http://www.decc.gov.uk/en/content/cms/news/pn12_143/pn12_143.aspx

Secretary of State Ed Davey's comments on shale gas were reported in the Guardian newspaper on 28th November

<http://www.guardian.co.uk/environment/2012/nov/28/shale-gas-era-cheap>