



Mr Brian Rapose
Carbon Reduction Commitment Team
Climate & Energy: Business and Transport Division
Department for the Environment, Food and Rural Affairs
4A Ergon House
17 Smith Square
London SW1P 3JR

8th October 2007

Dear Mr Rapose,

Consultation on the Implementation Proposals for the Carbon Reduction Commitment

I am pleased to respond to the above consultation on behalf of CoalImp – the Association of UK Coal Importers.

CoalImp represents major coal users (including most of the coal-fired generators), rail companies, ports and other infrastructure operators in the coal supply chain. The twenty two [members](#) account for the handling, transportation and use of the majority of imported coal supplies into the country, in turn accounting for over a quarter of electricity produced last year.

Proven world coal reserves amount to around 850 billion tonnes, equivalent to over 140 years supply at current rates of usage. Against this background, and with the massive growth in coal use in economies such as China and India, climate change policies need to include clean coal as part of the solution. CoalImp is therefore concerned that all carbon reduction policies are structured to help bring forward investment in cleaner coal technologies and 'sustainable coal' with carbon capture and storage, alongside other solutions.

In terms of this focus, CoalImp has few detailed comments on the proposals for the Carbon Reduction Commitment. A completed consultation form is attached, but given the small number of questions on which we have commented in detail, I am also summarising our key concerns below.

Members of CoalImp who are electricity generators are, of course, major participants in the EUETS. In response to Question 12, we are additionally proposing that those organisations with a significant proportion of their emissions covered by the EUETS should also be exempted. To avoid double counting, power used for electricity generation, whether self-generated or imported, should be excluded from the CRC. The proposal to include works power is at odds with Government's intention to exclude EUETS emissions in order to avoid administrative overlap.

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Three of our members are the rail companies which transport the vast bulk of coal used in the UK. CoalImp agrees with the proposal to exclude rail energy from the CRC (Question 16). Inclusion of rail energy in the CRC would give entirely perverse incentives to switch traffic to road - running counter to any sensible climate change policy for transport. It is important, however, that Government introduces appropriate carbon reduction policies across the transport sector rather than continuing only to target business.

We would also like to take the opportunity to request clarification on a matter of major concern for many of our members. Following discussions on the CRC with Coalpro (the Confederation of UK Coal Producers) I understand that it is not intended to include energy use by on-site transport and mobile plant. (This would, for example, include diesel use in movement and handling of coal stocks at ports and power stations). This is an important matter on which the consultation document appears to be silent - I would be grateful if you could confirm that it is indeed intended to exclude this use.

Yours sincerely

Nigel Yaxley
Managing Director