

October 2015

Coal is needed to keep bills down and lights on during UK's decarbonisation

CoalImp (the Association of UK Coal Importers) says coal's role in keeping bills down and lights on is increasingly overlooked and must continue during the UK's decarbonisation.

In the run-up to December's COP21 climate change conference in Paris, the UK has already committed to challenging low carbon targets over the coming decades – and hopes that the rest of the world will follow suit.

But in the meantime, coal still has a major role to play in reducing household bills, supporting British industry and avoiding blackouts.

CoalImp's new circular explores how the security and affordability of electricity supply is being threatened by the premature closure of coal-fired power stations, and how there is no credible solution to climate change that does not include coal.

The National Grid Winter Outlook showed only a 1.2 per cent capacity margin for 2015/16. CoalImp notes that the latest coal station closure announcements at Longannet and Eggborough will take this margin into negative territory, unless new secure capacity is built quickly.

Jobs are also being lost in industry – often in areas of already high unemployment – with Tata Steel recently citing the UK's "cripplingly high electricity costs". Government estimates that with existing policies, wholesale electricity prices in 2030 will be over 60 per cent higher than in 2014, in real terms, while the average customer bill could be over £200 higher.

CoalImp points out that the UK's unilateral carbon tax does nothing to reduce CO₂ emissions, which are subject to a pan-EU cap, enabling our European competitors simply to increase emissions and enjoy lower bills at our expense. Imported goods from China and elsewhere rely on coal-fired electricity so global emissions are not reduced, it states.

Managing Director of CoalImp, Nigel Yaxley says: "Climate change is a global phenomenon and requires a coordinated global approach. Coal can be part of the solution through Carbon Capture and Storage (CCS).

"If the UK acts fast, it can still be a leading developer of this technology, creating genuine economic and environmental benefits at home and abroad.

“CoalImp believes that a managed transition to meeting carbon targets over the coming two decades is essential, whilst keeping bills down and maintaining security.

“With the capacity margin for the coming winters so precarious, policy makers must act quickly and responsibly to secure the UK’s sustainable energy future.”

Ends

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Notes for Editors

CoalImp represents major coal users, rail companies, ports and other service providers in the UK coal supply chain.

The nineteen members account for the handling, transportation and use of the majority of imported supplies into the country, and are responsible for the transportation and receipt of the majority of all coal carried on the rail network for the electricity supply industry.

CoalImp believes that imported coal complements indigenous supply as a secure, economic, and essential part of the UK energy balance. Coal resources are plentiful, distributed more evenly around the globe than oil or gas, and coal is capable of being transported and stored safely.

In the new circular *Coal is needed to keep bills down and lights on during UK’s decarbonisation* CoalImp explores how the security and affordability of electricity supply is being threatened by the premature closure of coal-fired power stations, and how there is no credible solution to climate change that does not include coal.

In its earlier report *Coal – a manifesto for affordable energy*, CoalImp said that keeping the lights on and delivering affordable energy to business and domestic consumers is so basic to a developed economy, that it must be central to future political and economic plans.

The circular and report are both available from the CoalImp website www.coalimp.org.uk or in hard copy on request.