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Coal will still fuel economic miracles

China's 12th Five-Year Plan (2011-15) for coal demonstrates the essential role that 21st century coal plays in the energy, economic and environmental future of the world's second-largest economy. China's experience is a lesson for the rest of the world.

Study after study demonstrates the correlations among coal demand, economic activity and social progress, where a rise in coal use mirrors a rise in GDP.

China's economic growth has exceeded targets every single year this century, and its GDP largely tracks its generation growth, which translates into greater coal use.

It's no coincidence that China is the world's fastest-growing economy, largest energy user and largest coal user. China has created electricity access for hundreds of millions of people while accomplishing what no other nation has by navigating industrialization, urbanization and modernization all at once.

All of this beneficial activity is occurring as China leads the global development of clean coal technologies, housing the world's largest fleet of advanced coal plants.

This extraordinary growth model is what I call "the economic miracle" that is powered by coal.

Energy equality

We all agree that modern energy is a basic necessity that results in a better standard of living, higher literacy and a much healthier population.

But more than 3.6 billion people, nearly half the world's population, lack proper energy access. Over 1.3 billion people have no access at all.

During the next 20 years, another 2 billion people will require power as the population grows, putting the world on course to have 5 to 6 billion people needing good access to power in as little as two decades.

Coal is the solution to meet these energy needs. Already the world uses about 19 million tons of coal each day. I say let's use more clean coal. Our goal is to create energy access for all by 2050.

The Peabody Plan offers the path using technology-based solutions. We call for eliminating energy poverty by ensuring that at least half of the new generation is fueled by coal.

Coal is the world's fastest-growing fuel. Over the next five years alone, 370 gigawatts of new generation are expected to come on line around the world, which requires more than 1.2 billion tons of additional coal.

This is equivalent to one new 500-megawatt power plant starting up every three days through 2016. China and India lead this growth.

Around the world, coal is powering increased energy access and a better quality of life. The Peabody Plan also calls for the development of coal-to-gas, coal-to-chemicals and coal-to-liquids projects over the next decade to expand and enhance energy availability and security.

Deploying clean coal technologies stimulates job creation and economic growth. The world has a large fleet of traditional coal plants.

Replacing these older plants with supercritical technology, as the Peabody Plan advocates, would drive reindustrialization and immediate reductions in carbon dioxide. These plants also are carbon capture ready when the technology is commercially deployable.

Upgrading the global fleet would result in \$4.3 trillion in economic benefits and 21 million new jobs during construction, according to a study by a Washington DC analyst. Ongoing operation would annually generate a \$470 billion increase to global economic output and create 1.4 million jobs.

These plants also have superior technologies, one-fifth the emission rate of subcritical plants and a CO₂ emissions rate that is as much as 40 percent better than the oldest plants.

Better environment

As China leads the world in coal use, it leads a global green coal revolution. I had the honor of meeting President Hu Jintao early last year during his historic state visit to the United States. Hu clearly demonstrates his support for 21st century clean coal through projects like the GreenGen power plant and carbon research facility in Tianjin.

GreenGen is commissioning its first unit for phase one operation this year and is ultimately being developed as a 650 megawatt facility that captures carbon.

At full build, it will be the world's largest coal-fueled power project that will be virtually emissions free.

Peabody is proud to be the only non-Chinese equity partner in this project, which is among a number of clean coal projects we are advancing in Asia, the United States and Australia. We need a global fleet of GreenGens as the world increases its use of coal as the green energy alternative.

Coal is the fuel of energy, and energy is the building block of strong, healthy societies. I call on all of us to put people first by putting energy first to create the economic miracle that is powered by coal.