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Europe Nuclear Revival Not At Coal's Cost

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ROME (Dow Jones)--The current renaissance of nuclear power in Europe won't hurt the coal industry as the fossil fuel will remain the cheapest and quickest option to generate electricity in the coming years, the head of a European coal association said Friday.

"The future is for nuclear and coal, with space for both," Andrea Clavarino, president of the European Association of Coal Importers and Suppliers, or Euriscoal, told Dow Jones Newswires in an [interview](#).

"Should one industry be at the expense of the other then I think it will be the other way round (with nuclear hit at the expense of coal)," said Clavarino at a Rome conference organized by Assocarboni, the Italian coal association, which he also heads.

Coal is the "easiest, cheapest and quickest way (to generate electricity) in the next years," said Clavarino.

Leading European countries, such as U.K., Italy and Sweden, are promoting a revival of nuclear power to boost energy security amid dwindling domestic oil and natural gas reserves.

The fossil fuel will continue to generate 33% of Europe's electricity, or even more, in the coming years, he added.

The current financial crisis and tight credit markets will help the coal sector versus renewables as funds currently are limited, said Clavarino.

New technology to make coal-run power generation less pollutant, such as carbon capture and sequestration, will play a "big role" in helping the sector, said the head of Euriscoal.

"The future still belongs to fossil fuels...what we must do is use technology to cut emissions and offer clear energy," he said.

The latest technological developments will also boost the average efficiency rate to between 40% and 45% at coal-fired power plants from today's roughly 36%, said Clavarino.

Technology offers a "big breakthrough" to upgrade existing facilities with much lower investments than having to build brand new plants, Clavarino said.

The global economic slump will hit coal projects in the near term as demand for electricity drops, he said, but added that in the medium term there won't be an effect as European demand for power returns to its upward trend.

Companies will invest at least EUR3 billion in Italian power plants in the next two years, said Clavarino, who is also executive vice president of raw materials trading, logistics and shipping company Coeclerici SpA.

Italy generated 12% of its electricity from coal in 2008. About 60% of Italian power is fired by gas