

## **COP21 must consider the role of coal to accompany renewables growth**

**Italy's coal imports to remain flat in 2015: steam coal imports expected to reach 16 million tons and coking coal imports to amount to 4 million tons**

**Global seaborne coal trade to stabilise at 2014 levels at 1.2 billion tons this year**

**"Coal has made huge steps towards environmental sustainability, making itself the fuel of choice to accompany the growth of renewables on the path of climate change mitigation. The COP21 will have to take this into account" said Andrea Clavarino, Chairman of Assocarboni**

In 2015 Italy will import 16 million tons of steam coal and 4 million tons of coking coal, reflecting a flat growth trend from a year ago.

Moreover, at a global level seaborne coal trade is set to stabilise at 1.2 billion tons, after 10 years of steady growth of 3,5%, and production is forecast at 7.2 billion tons, stable compared to 2014.

These are some of the figures disclosed by **Andrea Clavarino**, Chairman of the Italian Coal Association – Assocarboni – during the 2015 **Coal Industry Advisory Board** plenary meeting in Paris (CIAB).

Talking about the upcoming **21<sup>st</sup> Conference of the Parties (COP21)**, to be held in Paris from 30<sup>th</sup> November until 11<sup>th</sup> December 2015, Andrea Clavarino – who is delegate of the Italian Government to the CIAB board, the coal consultative body of the International Energy Agency, IEA – called for an effective climate agreement, able to integrate environmental imperatives with the legitimate aims of energy security, economic development and ending poverty.

According to the IEA, coal provides 41% of global electricity and is an essential raw material in the production of steel and cement, accounting for 70% and 90% of their respective global production. Moreover, the installed power generation capacity from coal will grow from 1,805 GW today to 2,843 GW in 2040.

The provision of secure, low-cost, reliable electricity, the development of infrastructure and the option to produce liquid fuels are three specific ways in which coal directly contributes to greater economic growth, job creation, and higher personal income and wealth.

The deployment of high efficiency low emission (HELE) power plants, using technology already available today, is the first step in the pathway towards the adoption of carbon capture and storage (CCS) technology, which is key to achieving global climate goals.

Modern high efficiency low emission coal plants, now available and producing electricity in Italy, emit 25-33% less CO<sub>2</sub> and can significantly reduce or eliminate non-carbon emissions compared to older, less efficient subcritical technology.

Italian coal operators have shown an extraordinary ability to focus on innovation: all the Italian coal plants have obtained the stringent European environmental certifications (EMAS) and boast an average efficiency of 40%, with a peak of 46% in Torrevaldaliga Nord plant, which is only achieved by two other plants globally, in Japan and Denmark.

If these highly efficient technologies were extended to the over 3,000 inefficient coal plants, with an average efficiency of 33%, operating in the developing countries, 1.5 billion tonnes of CO<sub>2</sub> per year would be eliminated, according to the estimates of the **European Power Plant Suppliers Association (EPPSA)**.

This result would be equivalent to two and a half times the 600 million tons of CO<sub>2</sub> that are already avoided thanks to renewable sources, excluding hydroelectric, with the total cost of subsidy estimated at USD 120 billion.

Furthermore, coal combustion technologies continue to evolve. There is additional potential beyond current HELE technology for future deployment of advanced ultra-supercritical and Integrated Gasification Combined Cycle (IGCC) plants. These technologies are likely to be commercially available around 2020, with efficiencies approaching 50%.

**Thus coal is not in contrast with an increasing use of renewable energy, but instead coal and renewables complement one another and are partners in meeting present and future energy needs.**

In this respect, Assocarboni is in favour of an international mechanism to provide financial support to countries building high efficiency low emission coal plants. In the last decades, growth in renewable energy technology has been driven by investment incentives and supporting policies, such as feed-in-tariffs, contracts for difference and other mechanisms.

In order to achieve climate mitigation goals, a widespread deployment of carbon capture and storage technology is fundamental. However, this will not be possible until CCS receives policy parity with renewable energies.

"Over the last decades, the coal industry has made huge steps towards environmental sustainability. Today coal guarantees cost effectiveness and energy security and it is therefore the optimal fuel to accompany the growth of renewables on the path of climate change mitigation. The COP21 will have to take this into account", Clavarino concluded.

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