



## Loopholes in UK 'coal phase-out' proposals boost coal burning until 2025 and might perpetuate it indefinitely

On 9<sup>th</sup> November 2016, the UK Government released its consultation about a possible phase-out of coal in 2025, called "Coal Generation in Great Britain: The pathway to a low-carbon future". The consultation remains open until 1<sup>st</sup> February 2017.

The consultation had first been announced by Amber Rudd, then Secretary of State for Energy and Climate Change, in November 2015, who promised that it "will set out proposals to close coal by 2025 – and restrict its use from 2023" (1). We are pleased that the Government is looking into the problems caused by coal and is looking at a phase-out of electricity generation from coal. However, permitting a decade of further coal burning for electricity could hardly be seen as commensurate with the climate crisis, nor with the disastrous impacts of coal mining on communities and their environments around the world.

Yet, as this briefing shows, the actual proposals contained in the consultation paper are weaker still. On the one hand, they **seek to ensure that a phase-out of coal burning cannot happen before 2025**, even though economic developments favour a much earlier phase-out. On the other hand, they introduce many **loopholes which could perpetuate coal burning indefinitely**. The coal industry will no doubt respond to the consultation to push for the greatest loopholes possible. Groups and individuals concerned with climate justice can and must counter this narrative, by responding to the consultation, and in public.

### General observations about the proposals

Phasing out coal is vital for the future of the climate, and for communities around the world whose lives and livelihoods are seriously affected by coal mining and the environmental degradation, pollution and water grabbing, human rights abuses associated with it. Those communities most affected by a coal phase-out must be closely involved in how it is implemented.

However, we feel that the consultation document shows the government's current concerns lie more with keeping coal power stations open until 2025, rather than making

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sure they are all closed by then; and that the current proposals allow for loopholes through which the UK could continue to burn coal beyond 2025, for example by co-firing with biomass.

The focus needs to move away from 'keeping the lights on' and taking our current energy consumption habits as an immovable fact, and towards demand reduction, increased support for genuinely low-carbon renewable energy, and an acknowledgement of the realities of climate change and biodiversity loss.

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## **How the proposals seek to prevent a coal phase-out before 2025:**

1. The document makes *no mention of the impacts of coal mining*. Given that coal mining is contributing to cultural genocide, health problems and malnutrition, forced evictions of entire communities, destruction of huge areas of land and localised environmental problems (2), this is a serious omission. There is no limitation on coal use prior to 2025. Communities on the front lines of mining deserve decisive action faster than this.

2. Economic forces on their own may well lead to the closure of most or all UK coal power stations prior to 2025 (3). This should be encouraged, not prevented, by the coal phase out decision. The earlier coal is phased out the better in terms of climate change, impact on coal-affected communities and ecology. However the *proposals consulted on explicitly seek to prevent a rapid coal phase-out*. They say: “*One of the Government’s objectives in taking action on unabated coal generation is to ensure an orderly transition and avoid the risk of coal closures happening at once.*” All of the coal closing at once, as soon as possible, is exactly what we need to maintain a liveable planet.

3. The *Government’s proposals do not recommend any legislation which will encourage power stations to close prior to 2025*. One clear way for this to happen would be to prevent coal power stations from entering into any further Capacity Market Auctions and to force or at least encourage coal power stations to remove themselves from Capacity Market Payments already secured. Yet the Government now recommends making it more difficult for operators to close coal power stations after they have been awarded Capacity Market Payments. This could keep coal in the potential energy mix for longer than market conditions would otherwise encourage.

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4. Air emissions legislation which has been a key factor behind the closure of nine coal power stations since 2012, stems from an EU directive- the Industrial Emissions Directive. *Given the Government’s intention to leave the EU in 2019, there needs to be a commitment to maintain emissions regulations at least as stringent as the EU’s, if not more so.* Scrapping emissions rules would remove one of the key incentives for shutting down coal power stations, and increase the numbers of deaths caused by poor air quality from all sectors.

5. The coal phase out proposal acknowledges that closing coal power stations will affect the local communities in terms of job losses. It does not however tie this to the improved local air quality and public health when coal power stations are switched off. Therefore the impact on the local community cannot purely be seen negative terms. There needs to be a plan put in place to ensure a just transition from coal to sustainable energy. This must involve conversations with the trade unions and communities concerned, rather than a top down approach.

## **How proposed loopholes could perpetuate coal burning beyond 2025**

a. *The Government’s proposals prioritise maintaining current electricity supplies over ending coal use.* They state: “*The Government has made clear that it will not proceed to impose requirements that would lead to the closure of unabated coal by 2025 without assurance that a secure and reliable electricity supply will be maintained.*” The need to reduce demand for energy through energy conservation and efficiency is not acknowledged.

The current wording of the proposals would allow a future Secretary of State to postpone or suspend the arrangements. This needs to be prevented as 2025 is already too far away. Decisive, legally binding action to end all coal burning in UK power stations is required.

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**b. Existing government policies guarantee that new capacity will not come from onshore wind and solar power.** This is due to subsidies having been axed for new wind and solar PV projects above 5 MW, drastically cut for smaller ones, as well as other measures introduced to prevent more onshore wind turbines and solar panels (e.g. through new planning rules in England (4).

Although, the Government supports offshore wind power, new offshore wind schemes are particularly vulnerable to Brexit. Offshore wind power in the UK has so far heavily relied on funding through European Investment Bank loans, with new ones already having been put on hold pending Brexit negotiations. High levels of EU grants for offshore wind are also at risk, which is affecting investments now. For example, Siemens (a major player in offshore wind) has stopped all future investments in offshore wind energy in the UK (5).

A coal phase out should involve removing restrictions against construction of onshore wind farms and solar PV projects and giving greater support to genuinely renewable and low carbon energy. It will require close collaboration with other European countries to build a grid flexible enough to rely heavily on wind and solar power, and it will require public investment in electricity storage.

Renewables are mentioned in the proposal but there is not provision to reverse the current trends against their construction.

Without a reversal of those trends, the **Government's proposals simply tie a coal phase out to an increased reliance on gas (including deeply unpopular and dangerous fracked gas), biomass and nuclear energy**, all of which are extremely problematic in terms of environmental and human rights impacts.

c. 2025, the year when the Government

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suggests “unabated coal” burning might be ended, is when the Hinkley Point C nuclear power plant is scheduled to come online. Nuclear power is unsafe and has extremely negative impacts, especially on indigenous and other communities affected by uranium mining (6). Moreover, as Hinkley Point C has been plagued by delays, setbacks, controversy and public distrust ever since it was announced, and given the formidable technical challenges involved in the project, there is no reason to believe it will stay on course to open in 2025. Tying a coal phase-out to opening Hinkley Point C is likely to perpetuate coal burning, whilst committing the UK to yet another highly problematic energy source.

**d.** The document uses the term 'unabated coal', referring to the possible use of Carbon Capture and Storage (CCS). Although this could be used as a loophole, progress on this technology has been very limited and only one commercial power station CCS projects exists worldwide (in Canada), which has not been a success (7). It is very unlikely that companies will decide to install CCS in coal power stations. There, nonetheless is a **danger that power stations may be able to continue to operate if they use CCS on a small portion of the power station, under these proposals, and there is a lack of clarity on what 'unabated coal' means** (8).

**e. One way in which coal power stations may be able to continue burning coal with or without CCS under the Government's proposals is via increased co-firing of or partial conversions to biomass.** The UK is already the world's largest wood pellet importer. Drax power station has converted half of its coal units to burn biomass, and as a result this power station alone already consumes more wood than the UK produces annually (9).

Biomass electricity currently receives over £800 million in 'renewables' subsidies each year, of which more than half goes to Drax.

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However, burning millions of tonnes of wood for electricity cannot be sustainable, because of its disastrous impacts on forests, biodiversity, public health and climate change (10). Any proposal for reducing our carbon emissions that relies on large-scale biomass is oxymoronic, as this is not low carbon.

f. Continuing to burn coal either by using CCS on a small proportion of capacity, or co-firing with biomass, aside from being bad for the climate, fails to acknowledge the many social and environmental problems caused by coal mining, as discussed in point 1 above.

### **What needs to happen instead?**

1) The document makes no mention of demand reduction, which is something we desperately need for the climate and for biodiversity, and one of the simplest ways to procure a higher proportion of our energy through renewable means. Talk of 'keeping

the lights on' needs to go alongside an honest discussion of our demand for energy and how to reduce it, at the very least by supporting energy efficiency measures such as home insulation. This would also help families affected by fuel poverty. This can be and has been done. In 2011, in the wake of the Tohoku earthquake and the Fukushima disaster, Japan managed to reduce its energy demand by almost half (11).

2) Wind and solar power are amongst the lowest carbon sources of energy and, if sensitively sited, can have some of the lowest environmental impacts. Urgent policy changes are needed to allow the recent expansion in wind and solar power to continue, albeit at a higher rate than before. This must be combined with support for electricity storage and with measures to allow the grid to cope with more intermittent energy sources (something that will require collaboration with other European countries).

### **References**

The government's consultation document, "Coal Generation in Great Britain: The pathway to a low-carbon future" can be found at [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/567056/With\\_SIG\\_Unabated\\_coal\\_closure\\_consultation\\_FINAL\\_v6.0\\_.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/567056/With_SIG_Unabated_coal_closure_consultation_FINAL_v6.0_.pdf) .

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(3) [www.carbonbrief.org/countdown-to-2025-tracking-the-uk-coal-phase-out](http://www.carbonbrief.org/countdown-to-2025-tracking-the-uk-coal-phase-out) AND [www.utilitywise.com/2016/11/22/coal-plant-closures-likely-before-governments-2025-deadline/](http://www.utilitywise.com/2016/11/22/coal-plant-closures-likely-before-governments-2025-deadline/)

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(5) [energydesk.greenpeace.org/2016/10/13/brexit-billions-climate-funding-risk/](http://energydesk.greenpeace.org/2016/10/13/brexit-billions-climate-funding-risk/)

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(8) [www.independent.co.uk/environment/coal-power-stations-close-2025-fossil-fuels-greenhouse-gas-emissions-climate-change-a7061456.html](http://www.independent.co.uk/environment/coal-power-stations-close-2025-fossil-fuels-greenhouse-gas-emissions-climate-change-a7061456.html)

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(11) [www.greentechmedia.com/articles/read/how-japan-replaced-half-its-nuclear-capacity-with-efficiency](http://www.greentechmedia.com/articles/read/how-japan-replaced-half-its-nuclear-capacity-with-efficiency)

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