



WORLD COAL ASSOCIATION
**COP21 POSITION
STATEMENT**



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An effective agreement at COP21 in Paris that sets in motion emissions reductions consistent with international climate objectives must integrate environmental imperatives with the aims of energy security, economic development and an end to poverty.

Affordable, reliable and accessible electricity is the foundation of prosperity in the modern world. Each nation will choose an energy mix that best meets its needs and for most countries coal will continue to play a significant role whilst for many nations, particularly in industrialising and urbanising Asia, coal has been identified as a growing fuel source and integral to their economic growth.

By 2040 installed power generation capacity from coal will reach 2843GW¹ compared to 1805GW today.

Without action to support deployment of low emission coal technology it will not be possible to achieve the 2 degree climate target.²

Coal is a critical enabler in the modern world. It provides 41% of the world's electricity and is an essential raw material in the production of 70% of the world's steel and 90% of the world's cement. Fossil fuels today provide 81% of the world's primary

energy, a percentage not forecast to change significantly for decades to come.

A low emission technology pathway for coal is required. It begins with deployment of high efficiency, low emissions (HELE) power stations using technology that is available today. These facilities are being built rapidly and represent significant progress on the pathway towards carbon capture, use and storage (CCUS), which is instrumental to global climate objectives.

We support a transition away from the least efficient technology in favour of HELE coal-fuelled power generation technology.

Modern high efficiency low emission coal-fuelled generation facilities, with modern emissions control systems, emit 25-33% less CO₂ and significantly reduce or eliminate pollutant emissions, such as oxides of sulphur and nitrogen, and particulates compared to older, less efficient subcritical technology.

¹ WCA analysis of Platts Power Plant Database, IEA WEO2015 New Policies Scenario equivalent is 2468GW.

² IEA Energy Technology Perspectives 2015, IPCC Fifth Assessment Synthesis Report, November 2014.



Recognising that many countries have included a role for high efficiency, low emissions coal-based power generation in their Intended Nationally Determined Contributions (INDCs) **we call for an international mechanism to be established to provide financial and other support necessary for countries to accelerate construction of such projects.**

To this end, we have proposed the establishment of a Platform to Accelerate Coal Efficiency (PACE) and stand ready to work with international partners to support its implementation.

Global investment is required in carbon capture and storage.

The Intergovernmental Panel on Climate Change has said that climate action would be 138% more expensive, if not impossible, without widespread deployment of carbon capture and storage technology.

With this in mind, there is another reality which COP21 participants must consider: CCUS has received only one percent of investments into clean energy technology.

WCA members are playing a constructive role by investing in CCUS projects across the globe. These include through the Coal21 Fund in Australia, the GreenGen project in China, the proposed FutureGen project in the United States, numerous research centres in Australia, China and the United States, collaboration with the SaskPower Boundary Dam CCUS plant in Canada and memberships of the Global CCS Institute and Carbon Sequestration Leadership Forum.

Without policy parity between power generation using CCS technology and electricity projects fuelled by other low emission sources, CCS will struggle to

progress sufficiently. Policy parity will drive the investment, which is integral to achieving the necessary carbon emission reductions from CCS.

Strong policy drives strong action. Growth in renewable energy technology has been driven by policy that provides \$100 billion in subsidies *every year*. The cumulative value of government policy support provided to CCUS to date is approximately 1% of the cumulative value of policy support provided to renewable technologies³. Policy tools available for renewables are not generally made available for CCUS, which has a dampening effect on investment.

With strong policy support for CCUS, including parity with other low emissions technologies, the necessary investment will occur. This will make further strides possible in the wider demonstration and deployment of CCUS, which will in turn drive down costs.

Recognising its application to all fossil fuels, we welcome the opportunity to work with our partners in the oil and gas industry to support policies and projects that facilitate the large scale deployment of CCUS.

If comprehensive policy and financial support is provided for CCUS over the coming decade, including policy parity, it is realistic to believe that a transition toward no new unabated fossil fuels could begin in the late 2020s.

To achieve this ambition CCS must receive policy parity with all low emission sources of energy. In addition, funding mechanisms should be made available through further public support for research and development and CCS eligibility under international climate financing instruments.

³ Analysis of data contained in WEO 2014, and GCCSI Global Status of CCS 2013.



World Coal Association

The World Coal Association is a global industry association formed of major international coal producers and stakeholders. The WCA works to demonstrate and gain acceptance for the fundamental role coal plays in achieving a sustainable and lower carbon emissions energy future. Membership is open to companies and not-for-profit organisations with a stake in the future of coal from anywhere in the world, with member companies represented at Chief Executive or Chairman level.

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