

World Coal Association Climate policy statement

WCA commitment to action

Members of the WCA make the following commitments under this policy. We will:

- 1 Work to reduce carbon emissions in our own operations.
- 2 Support governments, working at the regional, state, national and international levels, to take constructive and sustainable action on reductions of anthropogenic greenhouse gas emissions.
- 3 Support the G8 / G20 target of 20 industrial scale carbon capture and storage projects operating by 2020.
- 4 Provide the technical advice and assistance needed to respond to the priorities of reducing GHGs, maintaining energy security and helping economic development, including poverty alleviation.
- 5 Work with governments, coal users, NGOs and other organisations with a view to achieving the objectives set out in this policy.

Integrated priorities

Responses to climate change issues, through country specific legislation and regulation and through international treaties, are formidable challenges.

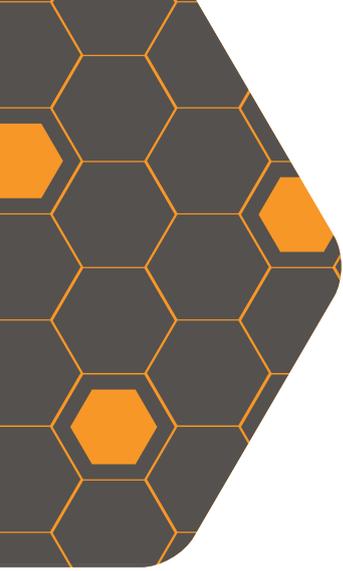
An effective and sustainable climate response must integrate environmental imperatives with the legitimate aims of energy security and economic development, including poverty alleviation.

These issues are inextricably linked. The world's least developed countries need access to low cost energy, but they are also the most vulnerable to the impacts of policies aimed at reducing anthropogenic greenhouse gas emissions.

As both developed and developing economies continue to grow, the demand for energy will only increase. Secure, affordable and sustainable sources of energy are key to addressing the challenge of reducing greenhouse gas emissions whilst achieving energy security and poverty alleviation. Significantly reducing poverty in developing economies is a necessary first step to reducing greenhouse gases. Absent this first step, developing economies will not have the capacity to focus their attention on reducing their greenhouse gas emissions.

Ensuring secure, affordable and sustainable energy requires a diverse energy mix and coal is a key part of that mix. It is both an essential energy resource for electricity generation and a vital raw material for industrial production e.g. steel, chemicals and cement. Coal can be used in a manner consistent with GHG reduction goals and is vital for long-term sustainable development.

Carbon capture, storage (CCS) and use technology, like all new low emission energy technology, will cost significantly more than conventional technology and require extended



development time. While available on a component-by-component basis, CCS has not yet been commercially proven on an integrated basis or at the scale required to meet global greenhouse gas concentration targets. Once demonstrated, CCS will enable countries to rely on secure and affordable energy sources such as coal without compromising their environmental ambitions.

Carbon and CO₂ emission mitigation actions will be valued differently in different jurisdictions. However, it is essential that revenues arising from these actions be substantially reinvested in a low carbon economy, regardless of the types of systems in place and their integration with international equivalents. In many countries, this will mean investment in CCS, renewable, nuclear, and other low emission options.

Specific action on climate and sustainable development

In order to meet joint greenhouse gas reduction and sustainable development goals, governments and the international community should support action that:

- Promotes eradication of poverty – through access to affordable, reliable energy, health care, education and employment.
- Facilitates the development of CCS technology – according to all credible scenarios rapid and large-scale deployment of CCS in both developed and developing countries is necessary to limit the global temperature rise to less than two degrees.
- Promotes the deployment of the cleanest and most efficient coal technology available – modern, efficient coal-fired power stations lead to significantly less greenhouse gas emissions than older plants while, in some environments, alternative coal technologies, such as underground coal gasification and coal bed methane utilisation, could reduce emissions from the production and utilisation of coal.

Specific action on CCS

Central to these objectives is the successful demonstration and deployment of CCS technology. In order to achieve this, governments and the international community should:

- Make significant additional investments to fast-track CCS demonstration and to allow the necessary cost reduction for future large-scale deployment of CCS.
- Include CCS in the Clean Development Mechanism under the Kyoto Protocol and other climate financing instruments under any post-2012 climate agreement.
- Establish regulatory frameworks that facilitate CCS deployment, including provisions on long-term liability, site management and cross-boundary transport.
- Support community education about the need for, benefits and safety of CCS.
- Ensure that where carbon pricing mechanisms exist, CCS is included in the suite of technologies that benefit from utilisation of revenues arising from such mechanisms.