

Coal policy in Wales

Consultation response

Question 1: What additional factual reports should be taken into account as part of the evidence base for Wales' policy on coal? Please cite references and links to any evidence proposed for inclusion.

Our Concerns regarding the Evidence Base by Wardell Armstrong:

We note our concern at how some claims made in other reports issued by Wardell Armstrong (as commissioned by others) in support of both new and the expansion of existing coal mines in England have been criticised by leading academics, including Professor Paul Ekins (Professor of Resources and Environmental Policy, University College London). In his letter of April 2020 to Durham County Council regarding the recently refused Bradley Coal Mine, Professor Ekins openly refutes logic purported by Wardell Armstrong¹, specifically their justification for not factoring in the end use of coal in their GHG emission assessment for the mine, specifically where it's suggested: *'it's entirely reasonable to assume that they [emissions] would be similar in quantum to those from coal from alternative sources (primarily imported coal)'*². Prof. Ekins claims such arguments are based on "incorrect economic assumptions", namely that by utilising UK coal, foreign producers would cease coal production (ie net global coal production and emissions from coal would remain the same). This argument is described as "economic nonsense" by Professor Ekins, pointing to an inelasticity of supply, especially for metallurgical coal, where alternatives are limited in the steel manufacturing process. He refutes that, on the contrary, foreign coal would still be mined and shipped in the hope a market is found, with the global price of coal lowered as a result – reinforcing its use for years to come.

In light of the above, we're somewhat concerned that the Welsh Government's principal evidence base with which to inform its future coal policy may be influenced by similar underlying assumptions and notions that have the potential to be 'baked-in' to the final policy – essentially that Wales and the UK has a reliance on foreign coal and that further domestic production of industrial coal would replace these emissions; not taking into account a more complicated global supply picture.

¹ https://publicaccess.durham.gov.uk/online-applications/files/160030A97F66C86DB04618EB6F7DCBB0/pdf/DM_19_03567_MIN-GREENHOUSE_GAS_EMISSIONS_ASSESSMENT_-_APPENDIX_13.1-2588571.pdf

² We note the same wording is also included in its submission to the Dewley Hill surface mine – still under consideration by Newcastle City Council.

That said, we note the supporting evidence base for this consultation does not go as far to suggest the substitution of emissions, as was the case within Wardell Armstrong's supporting evidence for the Bradley coal mine (and indeed its submission³ to the ongoing Dewley Hill mining application). Indeed, it rightly suggests that further evidence is needed before indigenous coal can be considered comparatively better – in terms of transport emissions - compared to imported coal.

We would, however, suggest the need for a more objective evidence base. The fact that Wardell Armstrong's evidence in support of two EIA applications for opencast mining in England has been questioned by a leading academic should be taken into account; especially as no alternative expert advice on coal has been sought by the government about future demand for metallurgical coal use in Wales. This is not to discredit Wardell Armstrong's capabilities or professionalism, rather draw attention to how its advice has been viewed and interpreted by other suitably qualified experts in other planning contexts. Simply put, additional advice should be sought to qualify claims being made in the report, less it be perceived that one company alone seems to have a monopoly on advice being given to private developers and governments regarding coal extraction/demand/GHG emissions et al.

SoS Highthorn Opencast Mine Application - Decision Notice⁴:
APP/P2935/V/16/3158266 (2020)

We would also draw your attention to the UK government Secretary of State for Communities and Local Government's decision of 8th September 2020, whereby he refused permission for a large opencast mine in a sensitive part of the Northumberland coast. The refusal includes analysis of metallurgical coal supply and 'need' going forward, albeit with the focus on information provided by the appellant and objectors in this instance. Here the Secretary of State states:

*'...having considered all the evidence provided to him, that there is limited objective evidence that the demand for coal for industrial purposes will remain at current levels beyond the **very short term** and that there is limited evidence to support the need for coal from Highthorn for industrial uses.'* (or emphasis - para 59)

He also states in terms of estimating future demand:

'...that there is little objective evidence to demonstrate that previous use of coal for industrial uses is a reliable guide to future need.' (para 56)

The UK government's view is clear, suffice to say that demand for metallurgical coal is unlikely to remain at current levels beyond the very short term and the availability of limited objective evidence of previous industrial coal demand cannot be seen as a reliable measure for future need. Despite this, para 3.3.7 of the evidence for this consultation base states:

³ Appendix 24 – Greenhouse Gas Emissions Report - <https://portal.newcastle.gov.uk/planning/index.html?fa=getApplication&id=121057>

⁴https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/914860/Combined_DL_IR_R_to_C_Highthorn.pdf

‘To maintain an indigenous manufacturing capacity for the production of steel from iron, there will be a continuing demand for good quality coking coal for the foreseeable future.’(para 3.3.7)

We would question the vague nature of this assertion, especially with the same paragraph then detailing a picture of Welsh iron and steel production peaking in 2000 at 9.6Mt, while by 2018 that had dropped to 6.9Mt – or almost 30%. Such figures support the UK government’s recent analysis within the Highthorn decision: that demand for coking coal is unlikely to be sustained beyond the short term; especially as alternatives to coal steel production begin to come on-line⁵ (see also the Green Alliance report referenced below) and coal demand becomes more elastic. Could the evidence base better clarify what this ‘*continuing demand*’ looks like in terms of Mt over the medium to long terms? Perhaps the Welsh Government could commission further evidence to inform its existing evidence base and this consultation paper?

The case against new coal mines in the UK – Green Alliance (2019)

A January 2020 report⁶ from Green Alliance looking at new coal mining for steel production in the UK in the context of a proposed new deep coal mine in Cumbria concluded that:

‘...decarbonisation of the steel industry, and a phase out of coal use, is both necessary and possible, making the new coal mine in Cumbria unnecessary. In fact, the new mine would hinder the development of low carbon alternatives to conventional steel production’.

They noted that the Energy Transitions Commission had concluded that ‘*a complete decarbonization of the steelmaking industry is achievable by mid-century*’⁷. One technology put forward to decarbonise steel production is the use of hydrogen produced from renewable electricity instead of coal, and the first plant trialling such technology has recently opened in northern Sweden⁸.

Bradley and Wilson (2019) - Does imported coal have a higher carbon footprint than coal produced from new open cast coal mines in the UK?

The above represents additional evidence presented to the Secretary of State (HCLG) with regard to a new coal mine planned at Highthorn, Druridge Bay and the existing coal mine at Bradley, County Durham April 2019. See Ques 3 for an analysis of this paper.

⁵ The first hydrogen powered steel plant in Sweden came online in August 2020: <https://www.h2-view.com/story/fossil-free-steel-project-ready-for-operation/>

⁶ Green Alliance ‘The case against new coal mines in the UK’ https://www.green-alliance.org.uk/resources/The_case_against_new_coal_mines_in_the_UK.pdf

⁷ Energy Transitions Commission, July 2018, ‘Reaching zero carbon emissions from steel’

⁸ See <https://www.h2-view.com/story/fossil-free-steel-project-ready-for-operation/>

Question 2: What other levers or actions could be taken to accelerate the low carbon transition whilst improving prosperity? Please cite references and links to any evidence proposed for inclusion.

We support the Welsh Government’s commitment to deliver a prosperous low carbon Wales, its commitment to tackling the climate emergency and maximise its contribution towards the wellbeing goals as laid out in the Well-being of Future Generations Act (2015).

Specifically in relation to the transition away from coal in industry, we recommend the use of incentives and grants to the Port Talbot steel works to research into arc reactors and other technologies. We’d also encourage collaborative research, involving universities and steel works in Wales and countries like Sweden to look at the potential of low-carbon steel production technologies.

It is crucial to restore land which has been mined safely and to a high standard, and ensure there is a duty to do so, without further extraction of coal or nuisance to nearby residents. It must be ensured that the former coalfield communities, who are often also vulnerable to the impacts of pollution and climate change such as air pollution, fuel poverty and flooding, are supported through a just transition with investment in the local economy.

We recently published a report ‘Climate Action Plan for Wales – a green and fair recovery for people and communities’ which includes proposals for addressing the multiple emergencies faced, and solutions for accelerating the low carbon transition in a way which would have a positive impact on people’s living standards as well as the climate emergency⁹. We believe this report is relevant to consider in this context.

Question 3: Do you agree with the Welsh Ministers’ approach to indigenous vs imported coal? What evidence exists that coal displaced by domestically produced coal is not consumed elsewhere, therefore increasing global emissions?

We note that evidence submitted by the developers¹⁰ behind the Dewley Hill opencast mining application to Newcastle CC has been drawn on within the evidence base for this consultation; suggesting in part that indigenous coal might have a lower footprint than imported coal. As long term objectors to the ongoing Dewley Hill coal application, as well as the now refused Highthorn and Bradley coal mine applications¹¹ our concern is that such contestable evidence, commissioned by a self-interested developer in support of its own mining activities is now being considered as “existing evidence”¹² within this consultation document regarding the future of Welsh Coal.

Despite the accompanying evidence base concluding the need for further research into whether avoiding imports actually does contribute to decarbonisation, reference to the inference made by Banks’ claim seems to have found its way into the consultation

⁹ Climate Action Plan for Wales, Friends of the Earth Cymru (September, 2020)
<http://foe.cymru/sites/default/files/ClimateActionPlanforWales.pdf>

¹⁰ Banks Mining Group

¹¹ Applications submitted by Banks and where similar submissions were made (re indigenous vs imported coal)

¹² See page 10

lexicon (ie ‘existing evidence’); despite having been contested – most recently by the UK government which gave ‘neutral planning weight’ to that same evidence¹³ (as was submitted and considered by the Secretary of State HCLG when making his second decision on Banks’ Highthorn application). In addition, we would also highlight additional research undertaken by Tom Bradley and Dr Grant Wilson¹⁴ as submitted for the Secretary of State’s consideration linked to the Highthorn and Bradley applications. It concluded, despite Banks’ claims to the contrary, that indigenous coal may not have a lower carbon footprint after all:

‘Coal from North America, despite transport emissions, has a significantly lower climate change impact over both 100 and 20 years when compared with an average Western European coal mine... Transport is not the only or even the dominant factor in determining total life-cycle emissions of coal production... A detailed ISO compliant Life Cycle Analysis would be needed to give certainty to this.

We therefore disagree with the citing of Banks’ claims as ‘existing evidence’ to support the view that ‘domestically produced coal will have lower embedded CO₂ attributable to Wales compared to imported coal, where transport related emissions are significantly reduced’ (pg 10 of consultation document), especially as the Dewley Hill evidence cited in the evidence base is similar, if not identical, to that disputed above at Highthorn and Bradley. In addition, the evidence base’s inclusion of this disputed claim without reference to a contrary viewpoint suggests some imbalance in the literature review exercise that should have been undertaken prior to the main report’s formation; especially as the findings of the above mentioned Bradley and Wilson report has been around since last year.

Finally on this point, the use of this lower embedded CO₂ argument, by default, also incorrectly assumes a substitution of foreign coal imports with domestic coal when in fact – and as cited earlier – the likelihood is that this will not take place – as imported coal continues to be dug up, sold and burnt in other territories. Any such assumption that UK coal would simply replace and substitute carbon emissions from former imported coal is nonsensical, more likely leading to an increase in the overall worldwide supply and subsequent reduction in the overall price of metallurgical coal. Any attempts to encourage further research and investment into non-coal steel production methods would likely be discouraged with a lower global coal price undermining such effort¹⁵.

Despite the above, we note the Welsh Ministers’ thoughts on the substitution argument, however, and support their view that ‘domestically produced coal used within Wales does not automatically result in a net positive global climate change impact’.

¹³ Para 65 – Highthorn decision:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/914860/Combined_DL_IR_R_to_C_Highthorn.pdf

¹⁴ Bradley and Wilson (2019) - Does imported coal have a higher carbon footprint than coal produced from new open cast coal mines in the UK? *Evidence presented to the Secretary of State with regard to the new coal mine planned at Highthorn, Druridge Bay and the existing coal mine at Bradley, County Durham April 2019* (see appendix)

¹⁵ Especially as espoused by Prof Paul Ekins, in his evidence, that there is no global cartel/ or equivalent - similar to OPEC for oil production - to control the worldwide supply and thus, the price, of coal.

Question 4: Is the draft policy appropriate, considering our commitment to support communities and businesses through the transition away from coal? Please cite references and links to any evidence proposed to support your response.

The application of the “*wholly exceptional*” test, as well as the need to “*demonstrate why they are needed in the context of climate change emission reductions targets*” from PPW10 for **new metallurgical coal mines** is supported, especially bearing in mind the disputed claims made above regarding imported vs indigenous coal and likelihood that displacement (of imported coal or subsequent emissions) is likely to take place due to price inelasticity.

We also note and support the inclusion of **coal mine extensions** under the ‘*wholly exceptional*’ circumstances test of PPW10, as well as the need to “*demonstrate why they are needed in the context of climate change emission reductions targets*”. This clarification is timely, especially following our previous correspondence with Chief Planner, Neil Hemington¹⁶, who allayed our concerns earlier this year that such tests might not apply to extensions – they do.

This policy approach would leave open the ability for industrial uses based in Wales, including steel and cement works, to utilise imported coal in the in the short term while also discouraging would-be imports being pumped into other global markets, and thus undermining future R&D opportunities into new zero-carbon steel and coal production methods¹⁷: essentially more coal stays in the ground, which is positive for meeting key Paris Agreement targets.

We also support the notion that “*any exceptional proposals or applications, which must contribute to decarbonisation, must be considered from the perspective of overall global impacts as well as Welsh prosperity and emissions targets*”. That said, would the policy not benefit from a slight clarification, in terms of global climate impacts? (see below) assuming this is the intention of the wording, in any case.

*‘Any exceptional proposals or applications, which must contribute to decarbonisation, must be considered from the perspective of overall global **INSERT [climate]** impacts as well as Welsh prosperity and emissions targets.’*

Overall, we agree that PPW10’s stringent tests being applied to new sites and extensions for metallurgical coal extraction in Wales. The proposed policy shows the Welsh Government’s intent to encourage a fair transition away from a coal intensive processes, towards innovative low-carbon methods being brought online now in other countries - such as the Swedish hydrogen powered steel plant referenced above. Coal has to stay in the ground to enable us to meet Paris targets, as well as domestic legislative climate change targets which are being ratcheted up as awareness and availability of alternative technologies becomes a reality.

¹⁶ Letter received: 24th April 2020 – “*it is clear that this [PPW] requires extensions to be treated in the same manner as new sites*” (our insertion)

¹⁷ See footnote 5 above.

Question 5: We would like to know your views on the effects that the Coal Policy would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English. What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?

Question 6: Please also explain how you believe the proposed policy on coal could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

We do not believe that this policy would have any negative impacts on the Welsh language, on opportunities to speak Welsh, or would treat the Welsh language less favourably than English.

Moving to a low carbon economy, and specifically moving away from fossil fuels, provides additional opportunities for communities throughout Wales to develop renewable energy, in particular projects with community benefits. This could have a positive impact on strengthening Welsh language communities and make the development of local low carbon energy sources accessible throughout Wales from urban to rural areas.