

## EXTRACT:

**Environmental Manager, Issue 477 (EM 477), 30 March 2004 \***

### **Continued coal use 'demands coal strategy' – ACA chief**

The coal industry "isn't stupid enough to think just some spin doctoring is going to work on this issue for too long", says Australian Coal Assoc (ACA) head Mark O'Neill. He made the statement to *EM* as accusations of sidelining renewables flew after the launch of Coal21. The Coal21 plan "is an attempt to say: Is there anything that can be done? And, if so, what would need to be done in order to do it?" O'Neill said. "Now the only way you can reach those conclusions is to extend that net much more broadly than yourself or the industry and get a whole bunch of people round the table with some expertise." O'Neill said the report focused on coal gasification and CO<sub>2</sub> storage and capture. He pointed out the report was deliberately pitched to be one part of a greenhouse policy to sit alongside energy efficiency, renewables and other methods of carbon abatement. "I keep pointing out ... that this whole report is based on the assumption we will still be using some coal for a few decades and, therefore, what are we going to do about the emissions?" O'Neill warned: "There is a danger that, if you knock technologies like geosequestration on the head as a possibility, you could end up with the fossil fuel energy anyway - just without the geosequestration."

### **'Missing costings still to come'**

Abatement cost targets are missing from the Coal21 report, despite it being flagged as an objective in the Coal21 issues paper last August. ACA head Mark O'Neill told *EM* it was "pointless to produce a quantitative cost target for 2030" as it was too hard to predict the costs of the technology so far in advance. "As we started investigating these costs we realised the real cost of IGCC (see 'Capture & storage 'deepest cut of all' - below), particularly IGCC with CO<sub>2</sub> capture and storage, really varies enormously from project to project. The real challenge they have run up against is trying to work out how much these things will cost to do in Australia," O'Neill said. In the end, signatories to the report "weren't confident with any of the costs we were given ... so we have said whatever else happens the technologies have to be competitive with the alternative abatement options in the generation market". ACA will work with the CRC for Clean Coal Sustainable Development on a separate set of costings to be released within six months.

### **Commercial IGCC plant in pipeline**

The next step was developing an industry consortium and getting some projects up with an electricity generator prepared to build an IGCC plant on a commercial basis, O'Neill told *EM*. However, when storage and capture were factored in, it became non-commercial and govt might be approached for some funding or support, he predicted. "Say we got CO<sub>2</sub> from somewhere else, like a urea factory as a pilot to check the geological modelling", an industry group might work with govt because it

was a contribution to the R&D of this technology. "You might be talking about \$10m instead of hundreds of millions. This would be competitive with other Greenhouse Gas Abatement Program proposals." O'Neill said there were currently a couple of generators looking very seriously at being the lead organisations. "Now I can't say who they are but they are looking at building an IGCC plant on a commercial scale for commercial reasons."

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1. Capture & storage 'deepest cut of all'; (EM477)
2. We could get emissions down to 650kg CO<sub>2</sub> per MWh, claims coal chief (EM472)

### **Capture & storage 'deepest cut of all'**

Focusing exclusively on electricity generation, the Coal21 action plan report (*EM472*) released last week says deep cuts in emissions are only possible with coal gasification, capture and geosequestration of emissions. Coal21's 31 signatories include federal and state agencies, scientific organisations, coal producers and electricity generators. The report dismissed renewables as unsuitable for storage and baseload generation. Electricity generation from coal was predicted to grow by more than 1% a year. The report concluded abatement options from greater energy efficiency in mining, preventing methane release and use of coal by-products and improved black coal preparation were low. Combining coal plants with renewables or natural gas was a low-to-moderate abatement option, as was the efficiency improvement in many power stations unless dewatering was applied. Advanced power generation from Ultrasupercritical coal, Integrated Gasification Combined Cycle (IGCC) and Ultra Clean Coal were rated moderate to high. The only abatement option to score a "very high" in the report was capture and storage of CO<sub>2</sub> from power plant gas streams. With CO<sub>2</sub> capture and storage, and providing underlying assumptions in scenario modelling were met and without regard to cost factors, "total annual emissions from coal in 2030 would be less than they are today despite an assumed rise in use of more than 35%", Coal21 said.

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### **We could get emissions down to 650kg CO<sub>2</sub> per MWh, claims coal chief**

By 2030, it could theoretically be possible to have coal-fired power plants emitting less than 650kg CO<sub>2</sub> per MWh, executive director of the Aust Coal Assoc Mark O'Neill told the conference. O'Neill acknowledged there needed to be extensive research and development before 'zero emission' technologies could be deployed on a commercial scale. To facilitate the R&D phase, O'Neill called for direct funding support, public/private partnerships, tax breaks. He added that cleaner coal projects

should be eligible for "emission credits", if any form of trading ever eventuates. O'Neill also urged govts to avoid "over-regulating" efforts to embark on carbon sequestration projects. The Aust black coal industry's soon-to-be-released Coal21 program, which aims to set out ways to abate emissions associated with coal use, will focus on international collaboration, R&D, outreach and education, O'Neill added.

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