

Statement from Peabody Energy on COP 21

The United Nations (UN) convened its annual Conference of the Parties, during which certain countries committed to limits in greenhouse gas emissions. Because energy accounts for a substantial share of such human-induced emissions, the energy sector will be instrumental to success in implementing these commitments.

Effective implementation will depend on sensible policy action. Fundamental to this is the acknowledgement of practical realities, one of which is the increasingly essential role played by coal in meeting the world's energy needs. Coal accounts for nearly 30% of the world's primary fuel consumption, and according to the International Energy Agency (IEA), global coal demand is now approaching that of oil.

Another such reality is that in the 21st century, electricity is fueling a wave of urbanization and economic growth, lifting billions to a better quality of life. However, the energy that makes longer, healthier lives possible remains surprisingly in short supply for too many. According to independent sources, today there are still 1,300,000,000 people who do not have access to electricity.

The application of advanced technologies in the use of the world's coal resources presents a ready-today solution for energy policymakers worldwide. Technology is the bridge to a low-emissions future for countries experiencing increasing electricity demand within their growing economies. It is also a bridge being built rapidly in scores of projects throughout India and China, in Japan and South Korea, across Southeast Asia, and on the African continent.

The increased use of all forms of energy which drives economic development, and the betterment of life, can be reconciled with lower emissions through advanced energy technologies. In the case of coal, which fuels 40% of the world's electricity, the foundation of this bridge is the development of high-efficiency, low emissions (HELE) technologies for electricity generation.

Deployment of HELE technologies will play an increasingly significant role in meeting greenhouse gas commitments. To illustrate, moving the current average global efficiency rate of coal-fueled power to supercritical levels could deliver the equivalent environmental benefit of reducing India's CO₂ emissions to zero.

Policy measures are urgently needed to accelerate development of carbon capture and storage (CCS) technologies, which according to the IEA must contribute 1/6 of total emissions reductions by 2050. One option is financial incentives for the design and construction of HELE projects which are CCS-ready. Another is support for academic research initiatives on the clean utilization of coal. Given their similar greenhouse gas profiles, power generation with CCS technology should be provided with policy preferences comparable to those afforded to electricity projects fueled by solar and wind.

Finally, financing support for HELE projects using coal is an important instrument for policymakers to encourage advanced technologies for electricity production. Multilateral funding sources are also beneficial, and can assist countries where the cost of deploying advanced technologies is prohibitive. Additional incentives should be provided for private sector investments which result in further increases in power generation efficiency.
