In Coal We Trust: The Need For Coal Power In Asia

BY TILAK K. DOSHI

Tilak Doshi is a consultant in the energy sector, and the author of "Singapore in a Post-Kyoto World: Energy, Environment and the Economy" published by the Institute of South-east Asian Studies (Singapore, 2015). This article was first published in Forbes, June 7, 2019.

See footnotes at end of text.

The reigning narrative of impending global environmental catastrophe dominates the airwaves and print media. Short of a drastic reduction in the use of fossil fuels, it is asserted,[1] we are fast approaching the "end of days". The demonization of fossils fuels in general, and coal in particular, has been wrought under pressure from special interests groups and organized lobbies of the climate-industrial complex[2] where aspects of economic reality are caricatured or presented out of context. Complex trade-offs in energy policy are spun into tales of spurious simplicity, leading to misleading conclusions. Nowhere is this more apparent than in the debate over the role of coal-fuelled power generation in the developing countries.

Opposition to the building of coal power plants in the poorer countries has been justified by environmental activists, banks and multilateral development agencies such as the World Bank[3] in two key ways. The first revolves around the claim that climate change mitigation programs carry "co-benefits" for public health in developing countries. The second utilizes the assertion that renewable energy such as solar and wind power are effective substitutes for centralized grid electricity generated by fossil fuels.

Climate change policy does not help the poor

The claim that aggressive climate change mitigation programs helps the poor is egregiously misleading. Modern coal plants are a success story, as pollutants emitted have fallen dramatically with technological improvements over the past several decades. Key pollutants that adversely affect human health include carbon monoxide, lead, sulfur dioxide (SO_2), oxides of nitrogen (NOX), ground level ozone and particulate matter (PM). A new pulverized coal plant, with flue gas scrubbers, fabric filters, catalytic reduction and other control equipment and processes, reduces NOX by 83%, SO_2 by 98% and PM by 99.8% compared to a similar plant without such pollution control features, according to the U.S. Department of Energy.[4]

Ambient air pollution in both urban and rural areas in developing countries is a real problem, but it is primarily due to the indoor burning of solid biomass in cooking and heating. The use of charcoal, wood, dung and crop residues within households is caused by the lack of access to grid electricity and modern fuels such as LPG. The World Health Organisation[5] reports that close to 4 million people die prematurely from illness attributable to indoor air pollution each year. The real solution, as apparent in the experience of the now developed countries, is to remove the need for using traditional biomass by providing affordable electricity and cleaner fuels. Coal power plants also lay the basis for improved public health with adequate clean water supply and refrigeration for food supply chains and the storage of vaccines in hospitals.[6]

The Myth of Renewable Energy

The second misleading claim is that intermittent sources of renewable energy can replace the need for grid-supplied power based on fossil fuels. An endless litany of "green" success stories permeate the mainstream media with the erroneous believe that that wind and solar power are "already competitive" with fossil fuels.[7] Rigorous economic analyses of the hidden costs of unreliable, weather-dependent solar and wind power have countered such claims as an exercise in "magical thinking".[8] According to data reported by energy generators to regulatory authorities in the U.S., wind and solar power are two to three times more expensive than existing coal or gas-fuelled power.[9]

But perhaps the best response to the renewable energy hype is provided by the example of Dharnai, a small village in India's Bihar state, which lacked access to the country's electricity grid.[10] In 2014, Greenpeace activists set up a solar-powered microgrid for the village to much fanfare. Almost immediately, problems emerged with the load put on the village solar "grid" as households began to hook appliances such as rice cookers, electric water heaters, irons, space heaters and air coolers. On the day of inauguration of the solar power system in the village, its inhabitants protested with banners stating "we want real electricity, not fake electricity". As put by the reporter, "By 'real', they meant power from the central grid, generated mostly using coal. By 'fake', they meant solar". In wonderful irony, the embarrassed VIPs present for the gala opening of the Greenpeace-promoted solar showpiece ensured that the village was shortly connected to the coal-fired power grid.

You cannot easily fool people when it really matters

It is no wonder then that the developing countries in Asia have little hesitation in supporting coal power generation as the quickest route to economic development and poverty alleviation. By early 2019, China had announced, permitted or was constructing almost 200 GW of coal power capacity, equivalent to over 75% of the entire operating U.S. coal fleet (the world's second largest after China).[11] The relevant

figures for India and countries in Southeast Asia are 95 GW and 75GW. China, India and Southeast Asia together account for 81.5% of global coal power capacity under construction, amounting to over 190 GW.

To the consternation of the climate alarmists, President Trump declared in his State of the Union speech that "we have ended the war on beautiful, clean coal".[12] This was in contrast to the failed presidential-hopeful Hillary Clinton who claimed her biggest regret was in doubling up on ex-President Obama's 'war on coal' and stating in her campaign trail that "we're going to put a lot of coal miners and coal companies out of business".[13]

A similar dynamic was at play in Katowice, the heart of Poland's coal mining country, when the Coal Miners Band struck up a welcome tune to delegates attending the UN's 2018 Climate Change conference.[14] In the convention pavilion, delegates were surrounded by showcases proudly displaying jewellery and cosmetics fashioned out of coal. And in his opening remarks, the Polish President emphasized that the country had no plans to give up on coal.

From the coal industry point of view, perhaps the most striking political event took place in Australia's recent national elections where the centre-right Liberal-led coalition Prime Minister Scott Morrison retained power despite all the opinion polls predicting an easy Labour victory. The re-elected Prime Minister once presented a lump of coal in parliament, saying "This is coal - don't be afraid!"

The opposition Labour party's election strategy to make climate alarmism and anti-coal legislation the key issue badly backfired in what was widely dubbed a "climate election". One commentator pithily remarked: "How to lose the unlosable election: be anti-coal".[15] Days after the election upset, the Labour state government of Queensland promised to overturn all attempts to block the massive Adani coal project, and was said to be "fed-up" with her own party's anti-coal stance.[16]

The coal industry will remain essential to human flourishing long into the future, and reports of its impending death have been greatly exaggerated.

Footnotes

[1] Dans, E. "World Environment Day: This Is An Emergency, And We Have Run Out Of Options" Forbes, Jun 5, 2019, link

[2] Rogers, N. "The Climate-Industrial Complex", The American Thinker, September 27, 2013 link

[3] Doshi, T. "The World Bank and its Defunct Energy Policy", Business Standard (India), 21 February 2019, link

[4] National Energy Technology Laboratory, US Department of Energy, link

[5] World Health Organization, "Household air pollution and health", 8 May 2018, link

[6] Paunio, M. "Sacrificing the poor: The Lancet on 'pollution'", Global Warming Policy Foundation, link

[7] Griffin, A., "Solar and wind power cheaper than fossil fuels for the first time", The Independent, 4 January 2017, link

[8] Mills, M. P. "The 'New Energy Economy': An Exercise in Magical Thinking", Manhattan Institute, March 2019, link

[9] Amsberry, E., "Study Finds Wind and Solar 2 to 3 Times More Expensive Than Existing Generation Resources", Institute of Energy Research, 3 June 2019, link

[10] Vaidyanathan, G. "Coal Trumps Solar in India: Activists hope for a renewable energy future but dirty coal remains cheapest", Scientific American, 19 October 2015, link

[11] Global Coal Plant Tracker (accessed 7 June 2019), link

[12] Kaufman, A.C. and D'Angelo, C., "Trump Touts 'Beautiful, Clean Coal' And Fails To Link Disasters To Climate Change", Huffpost, 30 January 2018, link

[13] Relman, E., "Hillary Clinton: Here's the misstep from the campaign I regret the most", Business Insider US, 6 September 2017, link

[14] Berendt, J., "Playing Host to Climate Conference, Poland Promotes Coal", 4 December 2018, link

[15] Nova, J., "How to lose the unloseable election: be anti-coal. The climate vote evaporated", undated, link

[16] "Labor Party Plans Coalfield The Size Of Britain In Climate Change U-Turn", Global Warming Policy Foundation, citing The Times, 24 May 2019, link