



The rising fortunes of coal - perhaps

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A week or so ago I wrote about the power supply debate going on in New England, with the controversy over the wind farm to be sited in the waters off Cape Cod. In that post I commented on the fact that, in response to an energy shortage that had appeared in 2004, the area had ensured additional supplies of LNG, and had converted some power stations so that, instead of relying on natural gas, they could also burn oil. The advantage of oil in this particular case is that it is somewhat more easily stored and thus is accessible when the gas lines are not available.

However I skated around the issue as to what would happen if there were neither oil nor gas available. This is not, unfortunately, a theoretical exercise. [Chris Skrebowski](#) has projected a supply shortfall by 2012. Yet already [in India](#) power plants are being idled because they cannot get enough LNG. And as for the supplies of oil, the likelihood of us being past peak by 2012 is increasingly real. So, that being the case, where can one look for alternate fuel. As articles in the [New York Times](#) and in the [Washington Post](#) have noted, for most of the rest of the world the short-term answer would appear to be from coal.

And this is where it is going to start getting awkward. Because it is fairly clear that those who are concerned that carbon dioxide is increasing the world's temperature are becoming more proactive in stopping this change. Only this past week the Governor of Kansas, a strong Senator Obama supporter, [vetoed](#) approval of two coal-fired power plants. Such activities, naturally, can be expected to slow industry plans to install more coal-powered plants around the country, if this presages the attitude of an incoming administration. (Since Vice President Gore was part of the last Clinton Administration, one might reasonably assume that his attitude would also prevail if Senator Clinton made the White House in an alternate selection). So given this potential if either Democratic candidate reaches office (note that on this issue Senator McCain is apparently [not much different](#)) then let us, for a moment suppose that there is a de facto moratorium on new coal plants in the U.S. for a couple of years. That is not going to change the way the rest of the world goes after power. As I noted in a recent post on Botswana, they need power to move the nation forward and electrify the rural community, as well as to power the mines that will provide the commodities that will pay for it. Coal is their natural resource, and like other countries in the region it is what they will use.

At the same time China has already realized that it will need to import more supplies to meet a need that is greater than the supplies that it has domestically available. (Sentence corrected for meaning at 9 pm). Thus, as [The Economist](#) recently noted, it has actively become engaged in acquiring supplies from around the world. There was a time, just recently, when [79 ships](#) were lined up at Newcastle, Australia for cargoes to China, 43 of them loading coal. And China is not

alone in needing to import more. India too has seen power blackouts, and intermittent supply, as demand had grown to much greater levels than current supplies can meet. And so it too will switch more to coal, as it struggles to meet the need for fuel, with a consequent [increase in imports](#).

As a result, India expects to import 51 million tons by 2012, nearly as much as U.S. exports last year. By 2022, imports could climb to 136 million tons, Kumar said.

There are a couple of things that worry me about this growing scenario, where coal, as the only fuel apparently available to allow significant growth in the short term. The first is one of ensuring that there is enough to go around. While the tap in developing coal mines is somewhat different to that in extracting oil, production can, in many instances, be stepped up at the mine itself, providing there is equipment and manpower. (Neither of which is necessarily going to be there). Getting the coal to where it is needed is another story. Rail facilities around the world are already being stretched to meet current needs, and are vulnerable, as the recent winter in China demonstrated, to external conditions. However, given the need, over the course of the next few years one can anticipate that Asian markets will continue to grow and consume an ever increasing percentage of the coal produced.

Which brings me to two more worries – the first is that if indeed the U.S. is going to need significantly more power, but does not now start the process to put in the power plants, and make arrangements for the long-term supply of coal, then when it needs it the supply may already have been sold, and that at that point the United States may find itself as Southern Africa did last December, with a need for power that cannot be met, and where load shedding and rolling blackouts become the alternative.

The second concern relates to the stridency that seems to be entering the discussion over GHG impacts on global climate. The Economist leader ended its discussion on the way in which China is seeking to acquire the resources it needs by noting:

China is bound to consume enormous amounts of raw materials as it develops. But given how polluted the country already is, and how much unrest that pollution is causing, it should curb its hunger for resources. A less wasteful development strategy would be a healthier one.

The reality is that many of the nations that are switching to coal to provide the power for the next 20 years or more are doing so in part to bring their people closer to the living standard of the West. When villages have no power, we do not have the right to tell their government that they cannot provide it, even if coal is the only power source available. This is not to say that cleaning up working conditions is not a good idea. For those of us raised in industrial Britain after the Second World War, memories of the poor air quality of the time are not pleasant. But, by the same token, it provided the power that brought Western Europe back from the devastation that it had suffered.

My worry is that of time, because if the power is not there when we need it, it is a little late to admit error (not that there is going to be a whole lot of that going around, if Southern Africa is any model). Power stations take significant time to install, or convert from other fuel. We have a window of opportunity, sadly I am beginning to doubt that we will take advantage of it.



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