

RENEWABLE ENERGY

Coal has become the emperor with no clothes, fated to die in the cold

A few elites and some junior miners benefit from perpetuating lies about its cheap cost and reliability

Bobby Peek, Makoma Lekalakala and Melissa Fourie

The coal mining industry lives in a parallel universe where coal's future is bright and will be mined for more than another century. China, India and countries in Southeast Asia and the rest of Africa will import millions of tons of coal from SA until at least 2040.

In the coal universe, coal remains the cheapest energy source. Coal guru Xavier Prévost recently told Moneyweb that the "many other sources of energy in the country ... will never be able to compete with coal in price and reliability of supply". In the coal universe, renewable energy is "intermittent" and unable to provide "base load".

In this world, Medupi and Kusile will run at full capacity, and Eskom will keep buying coal from junior miners. Junior miners are encouraged to "support" Eskom by supplying it with "the correct quality of coal at a cheap price". Apparently, in the coal universe, fleecing Eskom by selling it poor-quality coal at inflated prices is neither fraud nor breach of contract.

In the coal universe, the majors are exiting coal with unseemly haste not because they see the writing on the wall but because they are deeply committed to BEE and the upliftment of workers and communities. The state and the unions applaud this piece of theatre, call mining a sunrise industry and make no transition plans for Mpumalanga coal workers who have already lost their jobs or are about to be unemployed.

The coal universe has no climate change. The UN intergovernmental panel on climate change (IPCC) and the tens of thousands of scientists who work to produce and review the conservative IPCC reports are alarmist or confused. Extended droughts, severe cyclones and flooding are coincidental. SA's international commitments to reduce greenhouse gas emissions – feeble as they are – are unrealistic and unenforceable.

In this universe ill-health and death from coal pollution are a justifiable sacrifice, since abatement equipment is just too expensive, even for multinational Sasol. And for the future, do not despair: the miracle of "clean coal" awaits.

In the real world, export markets for SA coal are closing. India and China have radically reduced coal imports. In Pakistan, coal imports are under pressure from the cost of coal and the



Graphic: DOROTHY KGOSI Pictures: 123RF/DANIEL DROBIK, HELLOSEED and VYACHESLAV SVETLICHNYI

depreciation of the rupee, and there is a strong policy move towards renewables. In South Korea, SA coal is being squeezed out as the country prepares to shut down 20 coal-fired power plants.

Coal exports out of Richards Bay Coal Terminal declined 4% in 2018 alone, ascribed directly to the weaker global demand. While the Minerals Council SA has been sounding chipper, it has found itself reporting a 10% per annum decline in coal mining investment since 2009.

In the real world, coal is no longer the cheapest source of energy. The cost of electricity from new

solar PV and onshore wind are plummeting way below marginal operating cost of existing coal-fired power plants. In Zambia, solar PV sells for as little as R0.56/kWh. In Tunisia, that figure is now R0.35/kWh. In Portugal, utility scale solar PV is now at R0.23/kWh, less than a fifth of Eskom's average cost of supply.

In the real world, renewable energy is not "intermittent". It is variable but predictable, and can be harnessed in a flexible grid, supported by flexible generation capacity. This has been proven in many countries, even those without SA's

superb wind and solar resources and land to construct these power supplies at scale. Moreover, storage technology continues to improve and get cheaper.

In the real world, clean coal is a myth. There are no solutions to neutralise all – or even most – of the dire environmental, health and climate change effects of coal.

In the real world, air pollution from coal is a violation of constitutional rights, and courts will have to compel governments to take action to improve air quality. In the real world, global warming caused by the burning of coal is beyond dispute, and it is pushing the planet to a changed climate with droughts, floods, mass migration and loss of biodiversity on an unprecedented scale.

So who benefits from maintaining the theatre presented by the coal industry? Certainly the coal majors, which keep up appearances for better sales while hotfooting it to better long-term prospects; and perhaps junior miners that will have a few years of raking in the cash. After that, they will find themselves stuck with huge debts they cannot service when Eskom stops buying coal at inflated prices, or at all.

The victims include coal workers, who are already losing jobs and for whom no transition plans are being made; the state, stuck with acid mine drainage from coal mines requiring costly water treatment in perpetuity but still not taking security from coal mining companies; and local authorities and communities, which have already seen their towns and roads taken over by coal mining, providing little local employment and leaving only dust, disease and destruction.

There is a pressing need for a government-led and resourced, locally supported, credible transition programme in Mpumalanga – with a just transition fund to support workers and communities through the transition, and in which local ownership and participation in energy systems and improved service delivery are prioritised. Many countries have gone or are going through this transition. SA does not have to start from scratch.

Coal is now the emperor with no clothes. Only an elite group of vested interests benefits from perpetuating the lies, and only those who don't want to know the truth continue to believe them.

● Peek, Lekalakala and Fourie are directors of NGOs groundWork, Earthlife Africa and the Centre for Environmental Rights, partners in the Life After Coal campaign.