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BUSINESS EDITOR

## Old King Coal deserves a new coronation

**S**hould we be doffing our caps with apologies to Arthur Scargill? The miners' union warhorse has been warning for decades that Britain needs a joined-up energy policy and that we are heading for an almighty energy crisis, one which threatens to be as damaging as those in the 1970s.

Scargill may have been a dinosaur when it came to restructuring his industry but he was a trailblazer in recognising the importance of coal to the economy. By all accounts, the lights could be switched off in 2015 if Britain does not get more electricity on stream to make up for the short-fall as elderly plants are closed before new nuclear is ready.

That's why the Government's decision, due early next year, on whether to build the first new coal-fired power station for 34 years is so vital. If E.ON doesn't get the green light to re-build Kingsnorth as a coal-fired station, the German operator could use gas instead - more expensive and less secure as most of our gas will, by 2010, be imported from Russia, Qatar and Libya.

Kingsnorth has become a political hot potato, dividing the Government and opposition parties alike, because the greens don't like coal. It's a tricky one for Ed Miliband, the newish Energy Secretary, as it will shape the future of Britain's energy policy for decades, if not generations to come. If Miliband gives the go-ahead, there will be uproar from hardcore greens who want to stop coal-powered electricity because of its carbon footprint.

But it looks as though Miliband will have to swallow his green card on this one. Gordon Brown believes that longer-term energy security and fuel costs are more important. Six million people now live in fuel

poverty and the energy companies have been told to cut bills. As Brown knows, electricity made from coal, even cleaned-up coal, is now much cheaper than that made from gas.

Kingsnorth could be turned into a landmark. E.ON should be allowed to go ahead but only if it uses all the latest technologies to scrub the coal. Using both pre- and after-burn techniques, the clean lobbyists claim, coal becomes more efficient and less polluting than any other fossil fuel. Australia's White Energy is one of a handful of pioneers of a de-moisturising process which dries out the coal, increasing its thermal efficiency and lowering the sulphur and carbon footprint. After-burn is trickier, as carbon capture and storage involves taking the nasty gases away by pumping them into disused wells under the sea; experts are still working on better solutions and E.ON has agreed to retro-fit the plant.

Britain also has a lot of coal - enough, according to Scargill, for another 1,000 years. Fourteen firms have applied to develop 58 new opencast mines, producing 60 million tons a year, enough to match the UK's energy consumption. This is the biggest attempt to re-launch the British mining industry for 30 years. UK Coal wants to spend £200m reopening the Harworth deep mine in Nottinghamshire while reserves have been discovered in Northumberland which could become Europe's biggest opencast mine. What could be better: clean, cheap energy and more jobs.

Coal fuels 40 per cent of the world's electricity and in countries such as China it's going to grow to 75 per cent in the next few years. If Britain is brave enough to approve Kingsnorth, we can pioneer technologies for reducing carbon output and help solve one of today's great challenges.