King Coal isn’t dead—he’s just been exiled from the US

Enlarge / A general view of a coal-fired thermal power plant belonging to Essar Power in Salaya, some 400km from Ahmedabad, on October 4, 2016.
SAM PANTHAKY/AFP/Getty Images

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In the US, coal is decidedly on the decline despite the current administration’s attempts to save it. US coal plant retirements doubled in 2018, and demand for coal dropped to the lowest level in more than three decades. But the International Energy Agency’s (IEA) annual coal report (called *Coal 2018*) reminds us that the forces that have sent coal into a free fall in the US don’t exist elsewhere in the world. In fact, demand for coal is growing globally for the second year in a row after a few years of decline, driven by high demand in India and Southeast Asia.

In the US, cheap natural gas has been a primary driver in coal’s fall from grace. (This was the conclusion of the Department of Energy’s 2017 “baseload study.”) But in other parts of the world, coal remains the cheapest and most available energy source. Declines in the US, Canada, and Europe have been counter-balanced by coal growth in India, Indonesia, Vietnam, Philippines, Malaysia, and Pakistan, the IEA wrote.

China, too, “accounts for nearly half of the world’s coal

consumption," although the Chinese government has taken steps to control the growth of coal in recent years.

Despite the most recent two years reflecting growth in the coal market, the IEA says this growth is slowing and will become an aggregate decline by 2023. "Coal's contribution to the global energy mix is forecast to decline slightly from 27 percent in 2017 to 25 percent by 2023," the IEA wrote. Chinese coal demand specifically is forecast to decline by three percent over the same period.

The robust international coal market is the primary reason that many western states, especially Utah and Wyoming, have been pushing to build a coal export terminal on the West Coast despite the fervent objections of many coastal states, Washington in particular. Washington regulators have repeatedly denied permits for a coal export terminal, citing concerns that coal exports will sully the state's water quality, and trains transporting the coal into Washington will damage air quality. Disputes over permitting have resulted in legal battles with no end on the horizon.

In a summary of its report, the IEA argues that the relative stability of coal on a global scale demonstrates the imperative for Carbon Capture, Utilization, and Storage (CCUS) technology. "Tackling our long-term climate goals, addressing the urgent health impacts of air pollution and ensuring that more people around the world have access to energy will require an approach that marries strong policies with innovative technologies," said Keisuke Sadamori, director of Energy Markets and Security at the IEA. However, CCUS projects are few and far between, and the addition of such technology is far more costly to add to a power plant than the power plant owner can make back by using the captured carbon. Without a global price on carbon dioxide emissions, it seems unlikely that the economics of CCUS would work out in time to avert some of the worst effects of climate change.

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