

Rich powers cut export aid for coal plants

November 18 2015



Coal is widely regarded as the power source responsible for most carbon emissions, and several EU countries have promised to cut its use

Advanced economies including the United States, Japan and European Union have agreed for the first time to restrict state aid for exports of large, inefficient coal-fired power stations, the OECD announced Wednesday.

The deal was immediately denounced by environmental group Friends of the Earth, however, for failing to be tougher against all [coal-fired power](#)

[plants](#), which emit the heat-trapping carbon dioxide gas blamed for global warming.

The news coincided with a British announcement that all coal [power stations](#) without the technology to capture carbon emissions will be closed within 10 years.

It comes less than a fortnight before a November 30-December 11 UN climate conference in Paris, aimed at securing a worldwide deal to curb [greenhouse gas emissions](#) and stave off catastrophic climate change.

"The negotiations started two years ago at the behest of the United States to see if we could cut back on support for coal fired power plants in the context of climate," said David Drysdale, export credit department chief at the Organisation for Economic Cooperation and Development.

"Effectively the agreement does limit the support," he told AFP.

The agreement, which comes into force at the start of 2017, bars new export credits for large coal-fired power stations unless they are in the most efficient category. Some smaller, less efficient power stations may also be allowed to benefit from such state aid, with more flexibility given to the poorest nations.

If it had been in place at the time, the agreement would have prevented about three-quarters of the export credits given for coal-fired plants from 2003-2013 by nations taking part, Drysdale said.

Environmentalists criticised the lack of ambition, however.

'More holes than a sieve'

"With so many loopholes, this agreement has more holes than a sieve,"

said Friends of the Earth US international policy analyst Kate DeAngelis.

"In a world where any new coal plant reinforces the climate crisis, the OECD is merely another forum for developed countries to close their eyes to the climate emergency and their duty to adopt solutions to the crisis for which they are mainly responsible," she said in a statement.

Countries give export credits—cheap financing, insurance or guarantees—to promote their export industries.

The new [export](#) credit restrictions for coal-powered stations have yet to be formally adopted by the European Union, which is expected to approve them by the end of the month. They are to be reviewed for possible strengthening in mid-2019.

Nations taking part are Australia, Canada, the European Union, Japan, New Zealand, Norway, South Korea, the United States and Switzerland.

Not all countries agree with the push against coal.

Poland, which relies on coal for more than 90 percent of its electricity generation, said on Wednesday it remains attached to coal as its prime energy source.

"Our energy security requires us to keep Polish coal as an energy source, and that includes brown [coal](#)," new Prime Minister Beata Szydlo told parliament.

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Citation: Rich powers cut export aid for coal plants (2015, November 18) retrieved 25 April 2024 from <https://phys.org/news/2015-11-rich-powers-export-aid-coal.html>

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