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Llywodraeth Cymru
Welsh Government

Welsh Government Consultation Document

Coal Policy in Wales

Date of issue: 1st July 2020

Action required: Responses by 23rd September 2020

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.
This document is also available in Welsh.

Overview	<p>Energy policy in Wales is focused on supporting low carbon generation. The devolution of powers on petroleum extraction and authorisation of licences for coal mining established the need for Welsh policy on fossil fuels. This consultation proposes a draft coal policy to inform decisions taken in Wales on coal, in support of our climate and broader wellbeing aims.</p> <p>This consultation seeks your views on both our draft policy towards coal in Wales and on the evidence that has informed the draft policy.</p>
How to respond	<p>Replies to this consultation should be submitted by 23:59 23rd September 2020 at the latest in one of the following ways:</p> <p>Using the Online Form: Or by e-mail: YmatebionYnni-EnergyResponses@llyw.cymru YmatebionYnni-EnergyResponses@gov.wales</p>
Further information and related documents	<p>Large print, Braille and alternative language versions of this document are available on request.</p>
Contact details	<p>For further information please contact by email only</p> <p>YmatebionYnni-EnergyResponses@llyw.cymru YmatebionYnni-EnergyResponses@gov.wales</p> <p>Fossil Fuel Policy – Coal Consultation Division of Decarbonisation and Energy Department for Energy, Planning and Rural Affairs Welsh Government Cathays Park Cardiff, CF10 3NQ</p>
This document is also available in Welsh	<p>https://llyw.cymru/ymgyngoriadau</p>

General Data Protection Regulation (GDPR)

The Welsh Government will be data controller for any personal data you provide as part of your response to the consultation. Welsh Ministers have statutory powers they will rely on to process this personal data which will enable them to make informed decisions about how they exercise their public functions. Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about or planning future consultations. Where the Welsh Government undertakes further analysis of consultation responses then this work may be commissioned to be carried out by an accredited third party (e.g. a research organisation or a consultancy company). Any such work will only be undertaken under contract. Welsh Government's standard terms and conditions for such contracts set out strict requirements for the processing and safekeeping of personal data.

In order to show that the consultation was carried out properly, the Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. If you do not want your name or address published, please tell us this in writing when you send your response. We will then redact them before publishing.

You should also be aware of our responsibilities under Freedom of Information legislation

If your details are published as part of the consultation response then these published reports will be retained indefinitely. Any of your data held otherwise by Welsh Government will be kept for no more than three years.

Your rights

Under the data protection legislation, you have the right:

- to be informed of the personal data held about you and to access it
- to require us to rectify inaccuracies in that data
- to (in certain circumstances) object to or restrict processing
- for (in certain circumstances) your data to be 'erased'
- to (in certain circumstances) data portability
- to lodge a complaint with the Information Commissioner's Office (ICO) who is our independent regulator for data protection.

For further details about the information the Welsh Government holds and its use, or if you want to exercise your rights under the GDPR, please see contact details below:

Data Protection Officer:
Welsh Government
Cathays Park
CARDIFF
CF10 3NQ

e-mail:

Data.ProtectionOfficer@gov.wales

The contact details for the Information Commissioner's Office are:

Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

Tel: 01625 545 745 or
0303 123 1113

Website: <https://ico.org.uk/>

Consultation on Welsh Government Coal Policy

Purpose of the consultation

This draft coal policy is part of the Welsh Government's decisive shift away from the use of fossil fuels in order to tackle the climate emergency. It is the Welsh Government's policy objective to avoid the continued extraction and consumption of fossil fuels. This principle was established in last year's consultation on petroleum policy and well supported by responses, which overwhelmingly agreed we can reduce direct emissions when we halt extraction. This position is also established in Planning Policy Wales, which places fossil fuels at the bottom of the energy hierarchy and states that proposals for opencast, deep-mine development or colliery spoil disposal should not be permitted.

Context in which the policy has been developed

The current focus in these unprecedented times is on COVID-19. Our collective resources and actions are needed as never before to tackle this urgent crisis and ensure Wales can move towards a brighter future. The global challenges of climate change require the same collective response and we must apply the lessons learned during this crisis to our future work.

The coronavirus pandemic is a public health crisis, which took hold in just a matter of weeks. Whilst the climate emergency has taken hold over a much longer period, its impact on public health and our economy is no less significant. Tackling the climate emergency will also require serious and sustained action and collaboration both here in Wales and at a global level. As we work to recover our economy and communities, we must do so in a way which maximises wider benefits, such as reducing our emissions and ensuring a fairer and healthier society for all.

The Environment (Wales) Act in 2016 committed Wales to a legally binding target to reduce greenhouse gas emissions. On the advice of the UK Committee on Climate Change, we committed to reduce emissions by at least 80% by 2050. We published our first Low Carbon Delivery Plan to set us on the trajectory to meet these targets, ***Prosperity for all: A Low Carbon Wales***, in March 2019. This sets out 100 policies and proposals to deliver emissions reduction across all areas of the economy.

Shortly after the plan was published, following a period of increasing global concern, the Welsh Government declared a climate emergency. This was followed by the National Assembly becoming the first Parliament in the world to vote in support of such a declaration.

In order to address the climate emergency, in June 2019 the Welsh Government accepted the UK Committee on Climate Change's advice to set an even more ambitious target of 95% emission reduction by 2050. Whilst this target recognises the specific challenges faced in Wales, Ministers expressed the ambition to go even further in achieving net zero emissions no later than 2050. Welsh Government is now in the process of revisiting Wales' decarbonisation pathway and reviewing our interim targets for 2030 and 2040, as well as the five yearly carbon budgets through which the targets will be delivered.

We also recognise Wales needs to adapt to the unavoidable impacts of climate change. We have published our cross government plan on how we deal with the impacts of climate change, ***Prosperity for all - A Climate Conscious Wales***.

In order to meet our ambitious climate targets, we must reduce emissions from energy generation, by reducing fossil fuel generation and increasing generation from renewable sources. The continued extraction and use of fossil fuels for energy is not compatible with the pathway to reach net zero at a pace that addresses the climate emergency.

In ***Prosperity for all: A Low Carbon Wales***, Welsh Government committed to reducing emissions through phasing out power generation using unabated coal technologies, as well as implementing energy consenting, planning and permitting policies to deliver our decarbonisation targets. This proposed coal policy will inform decisions taken in Wales on coal, in support of our climate and broader wellbeing aims.

In our ***Clean Air Plan for Wales - Healthy Air, Healthy Wales***, Welsh Government has committed to work collaboratively across Government and sectors, taking action to reduce air pollution to support public health, biodiversity, the economy and the natural environment. Outdoor air pollution is the largest environmental threat to health. This proposed policy is consistent with the aims set out in the Clean Air Plan.

Historic and current coal use in Wales

We have commissioned and published a [review](#) of evidence on the impacts of coal extraction and use to inform this policy position.

The review reported a rapid reduction in demand for coal extraction, with coal now principally used in industrial processes, the heritage rail sector and a small element of domestic heating.

In Wales, coal production dropped significantly from 2.4 M tonnes in 2016 to 1.1 M tonnes in 2018. In the UK, 2018 coal production reduced to an all-time low of 2.6 M tonnes. Overall UK demand, at 11.9 M tonnes in 2018, is also reducing, with coal imported from Russia, USA, Australia and Columbia making up the shortfall in indigenous production. The current demand in Wales is predominantly non-energy industrial uses, such as the steel and cement industries. The report notes that substitute fuels within the cement sector are replacing the use of coal. However, though research is underway to decarbonise steel production, this sector is likely to require the use of coal for some years to come.

The report explores the impacts of coal extraction, noting the impacts on people near mines from noise, air quality, vibration, visual and health impacts. It also considers the challenges of transporting coal, both from existing mines and imported coal. The impacts of using coal as a fuel are considered with reference to recent consultations on air quality. The requirement for restoration of coal fields is also considered.

Our evidence review demonstrates coal extraction has already declined to a level where there are only three active coal mines operating in Wales. Demand for coal is continuing to decrease, due to challenging abatement requirements and the development of low carbon alternatives.

The evidence report does not cover domestic consumption, but we have data from the Welsh Housing Conditions Survey. In 2017, only 2% of the 1.35M homes in Wales used solid fuel (coal, wood or biomass) as the main heating fuel.

Given Wales' history of coal mining, some households are still receiving concessionary coal. This is an allowance of free solid fuel or cash funded by the Exchequer and provided to entitled ex-employees of the National Coal Board, British Coal Corporation and UK Coal Group. In January 2019 an estimated 803 people in Wales were receiving concessionary coal. 20,000 tonnes of coal sourced in Wales is supplied yearly as concessionary coal across the UK.

Question 1

What additional factual reports should be taken into account as part of the evidence base for Wales' policy on coal? Please cite references and links to any evidence proposed for inclusion.

Protecting and improving people's lives: policy for a just transition

Welsh Ministers have committed to deliver a prosperous low carbon Wales for current and for future citizens. We also have statutory targets for emission reduction. Whilst moving to lower carbon fuels is necessary, if we are to deliver a more prosperous low carbon Wales, then we need a managed transition. Our proposed coal policy must contribute to emission reduction. However, the move away from coal must be achieved in ways that preserve and where possible increase prosperity.

The challenge

It is our intent to proactively support a constructive transition away from coal extraction and use; ensuring areas where coal is currently being extracted are restored to a high standard.

There are many lower carbon alternatives to coal as a source of power, many of which have the added benefit of reducing impacts on air pollution. Industries where there is currently no alternative will need support to find different options. This will require innovation, which in itself can be a source of future prosperity. Whilst the magnitude of these challenges will require global effort, Wales will play its part as a small and clever nation.

Levers open to Welsh Ministers to deliver policy

Welsh Ministers have a range of options in order to deliver our coal policy. This section considers each of these levers in relation to their ability to support the aim of the policy.

UK Government powers

Powers to regulate, tax and provide significant financial incentives in relation to energy are the responsibility of the UK Government. The evidence we commissioned indicates that the UK Government's commitment to phase out coal for energy use is having the intended impact. Given the current trajectory of the industry, we do not consider it appropriate to seek devolution of such powers in relation to coal at this stage.

Welsh planning and environmental permitting regimes

Welsh Ministers are responsible for the planning regime. Planning Policy Wales (PPW) edition 10, which was launched in December 2018, underpins all Welsh Ministers' subsequent onshore planning decisions. It puts an emphasis on people and places and will ensure developments built today leave a legacy of well-designed, sustainable places that improve lives. This proposed coal policy directs the local planning authorities on matters to consider in future applications. The planning regime is the principal mechanism for determining whether an activity is an appropriate use of Welsh land.

Wales' planning policy is designed to help Wales reduce carbon emissions, through restricting extraction and use of fossil fuels by placing them at the bottom of the energy hierarchy. The National Development Framework will also ensure the planning system in Wales plays a key role in facilitating clean growth and decarbonisation and helps build resilience to the impacts of climate change.

Achieving our strategic decarbonisation goals is highlighted as a key driver that all development plans must support. This proposed policy will assist in informing future editions of Planning Policy Wales. Additional conditions set out in that or successor documents and associated guidance will apply in addition to this policy.

Permitting responsibilities are split between local authorities and NRW, according to the nature and scale of the installation as prescribed in the Environmental Permitting (England and Wales) Regulations 2016 regulations. Environmental permitting controls the emissions and environmental impact from certain industrial activities. Natural Resources Wales should be mindful of this policy when considering its broad regulatory, advisory, and land management remit.

Authorising coal licences in Wales

Welsh Ministers received new powers relating to authorisation of coal licensing in Wales in April 2018. All coal mining operations require a licence from the UK Coal Authority under the Coal Industry Act 1994. New powers introduced by the Wales Act 2017 stipulate that, should the Coal Authority issue a licence for coal mining operations in Wales, it shall only take effect if the Welsh Ministers authorise the licence. This applies to new licences and variations to existing licences. The Welsh Ministers can therefore apply Welsh policy to any proposal to undertake coal-mining operations in Wales.

Provision of Support

Welsh Ministers have broad powers to act in ways that benefit Wales by providing support to change the energy system and switch to lower carbon energy. These powers are being used to incentivise every sector in the transition away from fossil fuels. Wales is home to a range of high carbon activities, which will need support and innovation to identify ways to lower their impact. Welsh Government, business, academia and UK Government need to do all we can to accelerate the rate of change to that required by the climate emergency.

Question 2

What other levers or actions could be taken to accelerate the low carbon transition whilst improving prosperity? Please cite references and links to any evidence proposed for inclusion.

Coal Policy

This draft coal policy is part of the action to make a decisive shift away from fossil fuels. It is the Welsh Government's policy objective to avoid the continued extraction and consumption of fossil fuels. This principle was established and well supported in responses to last year's consultation on petroleum policy, where the dominant view was greater levels of fossil fuel extraction in Wales would lead to an increase in emission levels through both extraction and use, whilst limiting Wales' ability to reach its emissions reduction targets. It is also set out in the current Planning Policy Wales.

Coal Extraction

It is not Welsh Ministers' intent to authorise new licences or extensions for coal extraction. Welsh Ministers will consider approval for individual licences in the context of the Well-being of Future Generations (Wales) Act 2015 and our climate targets. Examples where approval may exceptionally be considered include ensuring the safe management of existing or abandoned mines, or supporting scientific research.

The principles set out in our coal policy will apply to coal extraction on land in Wales and in the seabed coalfields under the territorial seas around Wales.

Coal use for energy generation

It is UK policy to remove coal from energy generation. Currently, UK Government plans to phase out unabated coal fired generation by 2025. Wales supports this aim in delivering our emissions targets and Planning Policy Wales already places fossil fuels at the bottom of the energy hierarchy. This policy proposes the use of coal for generation of power in Wales will not be permitted, given there are a range of other low carbon energy technologies. Welsh Government will also consistently and actively seek the UK Government's commitment to reducing and in time eliminating the extraction and consumption of fossil fuels.

Welsh policy is also not to permit the establishment of new or enlarged opencast or deep coal mines or for colliery spoil collection and use for energy in Wales. This applies to both the planning regime and Coal Authority licence authorisations.

Coal use other than for energy generation

Coal has predominantly been used for energy production. However, Wales has an existing industrial sector based on former mining activity. Our evidence demonstrates coal is used in the steel industry, in speciality carbon markets, in the making of cement and for domestic use. Coal also contributes to other sectoral emissions, including industrial processes, domestic heating and some leisure pursuits such as heritage railways. Whilst not as significant as the power sector, these too are subject to the same emission reduction requirements as energy generation.

There are three coal mines in operation in Wales. Should, in wholly exceptional circumstances, proposals be put forward for extensions of these or new extraction to support industrial uses for coal, each case would need to be considered individually. The Welsh Government envisages that such cases will be wholly exceptional, and they would clearly need to demonstrate why they are needed in the context of climate change emission reductions targets.

Any exceptional proposals or applications, which must contribute to decarbonisation, must be considered from the perspective of overall global impacts as well as Welsh prosperity and emissions targets.

Decisions will be made on the specific circumstances of each case based on its climate impact, with the presumption being against extraction.

Climate Change and domestic extraction compared to imports

We have seen applications to extract coal justified on the basis that avoiding imports contributes to decarbonisation. The evidence report from Wardell Armstrong recognised that the evidence on this issue is limited and recommended commissioning further evidence on this point. The Welsh Ministers are considering the need to do this.

Existing evidence recognises domestically produced coal will have lower embedded CO₂ attributable to Wales compared to imported coal, where transport related emissions are significantly reduced. Domestically-produced coal has the potential to displace imported coal where it can supply local end users (as the WA report notes is the case in the planning application for an opencast mine at Dewley Hill). However, the Welsh Ministers consider that domestically produced coal used within Wales does not automatically result in a net positive global climate change impact, as the coal which would have been imported into Wales will likely be consumed elsewhere. If the displaced coal is indeed consumed elsewhere, Welsh coal then becomes an additional source of global greenhouse gas emissions. Wales has a role to play as a globally responsible citizen and CO₂ is a global pollutant. Unless extraction can be shown to be needed in the context of climate change emission reductions targets, the Welsh Ministers' policy is it should not be permitted.

Question 3

Do you agree with the Welsh Ministers' approach to indigenous vs imported coal? What evidence exists that coal displaced by domestically produced coal is not consumed elsewhere, therefore increasing global emissions?

Welsh Government support for transition away from coal

We will continue to encourage the development of low carbon solutions to eliminate the need for coal, with the intent of reducing and eventually eliminating imports of coal. This policy encourages industry to find alternative agents to coke or coal-based fuels to ensure the longevity of businesses that are currently carbon intensive. This also applies to the use of coal to provide heat, which we do not see as being sustainable in future from either the climate change or air quality perspective.

There are a number of areas of Welsh Government activity currently supporting this transition, whilst helping to create a healthier and more prosperous low carbon Wales.

We are supporting the use of lower carbon alternatives in industry, ensuring Welsh needs are recognised in UK policies and encouraging Welsh institutions to access support. A range of innovations related to coal and historic mines are included within the work of FLEXIS (Flexible Integrated Energy Systems), a £24 million research operation designed to develop an energy systems research capability in Wales which will build on the world class capability that already exists in Welsh Universities.

We are also improving the efficiency of homes and installing some renewable technologies through our work to improve social housing, and our fuel poverty schemes. Those individuals who qualify for concessionary coal may apply for assistance under the Welsh Government Warm Homes Programme. The Innovative Housing Programme is also piloting the introduction of homes that reduce or eliminate the need for fossil fuels.

The Senedd's Committee on Climate Change, Environment and Rural Affairs recently published recommendations in the report on their fuel poverty inquiry. We will publish our draft plan to tackle fuel poverty, which takes these recommendations into account, no later than the end of September for a twelve week public consultation. We expect the final plan will be published no later than the end of February 2021.

Question 4

Is the draft policy appropriate, considering our commitment to support communities and businesses through the transition away from coal? Please cite references and links to any evidence proposed to support your response.

Question 5: We would like to know your views on the effects that the Coal Policy would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English.

What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?

Question 6: Please also explain how you believe the proposed policy on coal could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

Question 7: We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:

Next steps

The consultation will close on 23 September 2020. We will analyse the responses and publish the final policy later in 2020.