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General News

By: Paul Garvey and Luke Forrester

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HEADLINE: Governments slow to come clean on coal

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'Clean coal' was described by Al Gore as being like a healthy cigarette, it does not exist. Reserve Bank of Australia board member Warwick McKibbin is also sceptical about the Federal Government's decision to commit \$2.8 billion to prove the controversial practice of capturing greenhouse gas emissions and storing them deep underground. Mr McKibbin, who is a professor of economics at the Australian National University, said it was a bizarre idea and that the technology has never worked in the past and will not work this time. Early attempts at carbon capture storage (CCS) research have failed. This involves capturing carbon dioxide emissions produced during the production of power from coal and piping it into geological formations deep underground. Projects that failed or were abandoned include the Queensland government's ZeroGen project, Santos' Moomba carbon storage facility, and Rio and BHP's \$2 billion plan to sequester carbon dioxide under the sea floor off Perth. Coal is a huge industry that grabs the attention of governments. At the Major Economies Forum in Italy, Prime Minister Kevin Rudd won backing from United States President Barack Obama for the launch of an Australian institute that wants to coordinate the building of 20 CCS plants around the world by 2020. The latest BP Statistical Review of World Coal found coal is the world's fastest-growing fuel with an increase in consumption of 3.1 percent. A recent study by Manfred Lenzen of the University of Sydney's Centre for Integrated Sustainability Analysis found that coal gained twice as much money worldwide in subsidies compared with nuclear, wind, solar, geothermal, biomass and hydropower combined. The study was commissioned by the Australian Uranium Association. According to the Australian Coal Association, minerals and energy companies are the largest source of Queensland-based revenue. The head of the Co-operative Research Centre for Greenhouse Gas Technologies, Peter Cook, believes two to four CCS projects will be operating in Australia by 2020. Cook said that the view of the International Energy Agency and the Intergovernmental Panel on Climate Change is more fossil fuels will be used in the future. Calling for an accelerated national strategy to develop low-emission coal technologies is Dick Wells, who chairs the National Low Emissions Coal Council.

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TRUenergy managing director Richard McIndoe's company supplies power to Victoria and South Australia, with a primary asset that is one of the dirtier power stations, the brown-coal-fired Yallourn station in Victoria's Latrobe Valley. Mr McIndoe warned that impairments expected by current power generators under the forthcoming Carbon Pollution Reduction Scheme (CPRS), may delay rollouts of gas-fired power plants that can offer the emission cuts on a real scale.

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