

# FINANCIAL REVIEW

SE News  
HD Clean **coal** works on a large scale: IEA expert  
BY Ben Potter  
WC 526 words  
PD 23 April 2014  
SN The Australian Financial Review  
SC AFNR  
ED First  
PG 14  
LA English  
CY Copyright 2014. Fairfax Media Management Pty Limited.  
LP

An international clean **coal** expert will on Wednesday urge Australia to try harder to show carbon capture and storage can work at commercial scale for **coal**-fired power stations.

Andrew Minchener, general manager of the London-based IEA Clean **Coal** Centre, will tell government and industry officials in Canberra that more commercial carbon capture and storage pilots are needed. The centre operates under the auspices of the International **Energy** Agency.

TD

Dr Minchener told The Australian Financial Review lessons were being learned from research and small demonstration units. But ultimately the industry would need more large pilots to generate "enough confidence that you will go ahead and design a commercial prototype".

"It's that confidence that's needed if you're going to get the money from the investors to build the equipment," he said.

Showing that CCS is commercial would remove a big question mark hanging over Australia's vast **coal** industry and the power generators and industrial users that depend on it. Larger commercial pilots have been commissioned in Canada and **China** and are being developed in the United States and Britain, funded by a mix of government and industry. **China** – the world's largest **coal** user – had increased its commitment to clean **coal** and CCS after a slow start.

The **Chinese** government believes its cheap construction costs will enable it to capture intellectual property rights and make money from CCS if it proves commercially viable, Dr Minchener said.

Pilots of CCS and other clean **coal** technologies in Australia have been more modest. **Solar** and **wind**-powered generation have grown more rapidly in response to incentives and renewable **energy** targets, and there is no commercial scale CCS pilot in Australia yet despite expenditure of hundreds of **millions** of dollars.

Dr Minchener said Australian companies could do more to secure their future as large **coal** exporters but fluctuating government policy had slowed progress.

"You've had very swiftly changing policies in this country. You've gone from one extreme to the other and somewhat back a bit," he said. "Eventually it will swing somewhere back in the middle."

Dr Minchener said people in Australian **coal mining** were "acutely aware" that Australia's effort in CCS did not match their **stake** in **coal**'s future.

Representatives of Glencore Xstrata, Peabody **Energy**, Anglo American, BHP Billiton, Rio Tinto and federal and state governments will hear from Dr Minchener at meetings convened by the Minerals Council of Australia in Canberra and Brisbane.

CCS has been widely dismissed as a viable low emissions technology because it adds 50 per cent to the capital cost of a power plant and 5 per cent-10 per cent in operating costs.

But the sheer quantity of **coal** and infrastructure meant it would likely continue to be used, Dr Minchener said.

"I am not for one moment saying **coal**'s going to be around for ever so get over it," he said.

"What we have to do is to ensure it's used as efficiently as possible, as cleanly as possible, and get it to a point where CCS can be incorporated."

**CO** inenag : International Energy Agency

**IN** i16 : Electricity/Gas Utilities | i1610108 : Electric Power Generation - Fossil Fuel | i16101 : Electric Power Generation | ieutil : Electric Utilities | iutil : Utilities

**RE** austr : Australia | auscap : Australian Capital Territory | apacz : Asia Pacific | ausnz : Australia/Oceania

**PUB** Fairfax Media Management Pty Limited

**AN** Document AFNR000020140422ea4n0000j