

ESG in 3D: Environment and Society

Long live king coal?

11 December 2022

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Code of Conduct for ESG data and ratings providers

Digest:

- Coal is the dirtiest of all fossil fuels, producing almost twice the emissions of natural gas
- The air quality plans drawn up by the Government to achieve air pollution targets set at EU level have been ruled unlawful three times by the Courts (in 2015, 2016 and 2018)
- On 16 December 2020 the Coroner for the inquest on the death of Ella Roberta Adoo Kissi-Debrah ruled that 'Air pollution exposure' was one of the three medical causes of Ella Roberta's death
- At COP 26 in Glasgow in 2021 the UK and other delegates had signed up to decisions that for the first time mentioned coal and other fossil fuels
- A [study published in January 2022](#) confirms sudden policy changes have a considerable impact on renewable energy

Source/Context:

Around seventy years ago the Great Smog of London killed around 4000 people, according to the explanatory notes accompanying the [Clean Air \(Human Rights\) Bill](#) which passed from the House of Lords to the House of Commons on 6 December. The bill seeks to establish the right of individuals to breathe clean air precisely and explicitly in UK law.

In the same week the Government [approved the first new UK coal mine in 30 years](#) despite concern that the mine would conflict with the UK's climate targets. The new mine, in Cumbria, will produce coking coal, largely for export, to be used in steel making.

The decision on the Cumbrian mine comes soon after the end of the UK's presidency of the Conference of Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC). Just two weeks before, on 24th November, a [Ministerial Direction under the Environmental Permitting \(England and Wales\) Regulations 2016](#) came into force, temporarily relaxing permitting conditions for coal-fired power stations in England during the winter period 1 October 2022 to 31 March 2023. The measure is intended to "address energy security issues if they arise, whilst aiming to limit unnecessary pollution."

What does this mean for the FS and other industries?

For clean energy investors and businesses, the Government's inconsistency on climate change commitments is a source of significant short and long term uncertainty. Why invest in projects that can take several years to reach fruition if there is the risk of a sudden policy shift?

Although the Government has agreed to [relax restrictions on building onshore wind farms](#), the Ministerial Direction indicates the extent to which the UK is still dependent on highly polluting energy sources. The manner of the shift in policy, resulting from multiple rebellions from Tory MPs, indicates the fragility of the Government's position. Just when a strategic shift to clean energy is most needed the political will to achieve it seems to have gone up in smoke.

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