

Even the world's largest coal miner thinks the rise of renewable energy and storage technology will pose a "significant threat" to the coal sector.

Coal India, the state-owned mining company that produces 80 percent of the country's coal, has released a new report, "Coal Vision 2030," that outlines what the industry might look like in 2030.

It warns stakeholders that in the case of Indian coal, "trends portent that in the long run the demand is likely to decrease substantially."

"With the increasing threat of climate change impacting humanity (irrespective of the U.S. position) and the global funding focus on renewables, it is a matter of time when alternate clean energy would displace coal," the report states.

Coal India's analysis lists a number of global and domestic events that have intensified doubts on the future of its main product, including:

Developments in solar PV and energy storage technologies

COP21 commitments by India

Apparent shrinkage in global coal consumption

Apparent downward revision of the economic growth projections of India

Response to recent tranches of coal block auctions

Non-performing assets crises, especially in the iron and steel, and power sectors, two major consumers of coal and important sectors linked to economic growth

Changes in various policies pertaining to the domestic energy sector

While coal remains India's main source of fuel, the report notes, "standing in the midst of a change, it is very difficult for anyone to imagine its scale and often most people remain in a state of denial until the change is upon them."

Prime Minister Narendra Modi has promised to get 40 percent of India's electricity from non-fossil sources (which includes renewables, nuclear and large hydropower) by 2030. The Indian government aims to triple its renewable energy capacity to reach 175 gigawatts by 2022. India's Central Electricity Authority will also halt building new coal plants in 2022. However, the Coal Vision 2030 report suggests that India's future will remain tied to coal. Interestingly, even though the report says renewables and storage will likely emerge as "key substitutes" to coal, Coal India still expects demand for the fuel to roughly double to 1,300-1,900 million tonnes in 2030.

"The messages are extremely contradictory," Swati D'Souza, energy policy expert at India's energy think-tank, Energy and Resources Institute, told Climate Home News. "The [coal demand] numbers are very high given current trends on solar and wind penetration in the power sector ... The document does not really give clarity on how they arrived at these

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numbers.”

Ted Nace, director of CoalSwarm, which tracks existing and proposed coal plants worldwide, added that 1,900 million tonnes is “an absurd figure for coal demand in 2030.” “Finance has completely dried up for privately sponsored coal plants; the only ones moving forward at this point are government-owned,” Nace continued. “Without significant growth in coal power capacity there will not be the doubling or tripling of coal demand that this report talks about.”

Coal India did not respond to Climate Home News’ questions about the report’s projections.
Source: ecowatch