

UK government confirms 2025 deadline for coal phase-out



The UK government will introduce an emissions limit on all coal power plants in the UK in a bid to eradicate unabated use of the fuel in the power system from 2025.

The plan, [unveiled last week](#) in a long-awaited response to a 2016 consultation, will mean that, from October 2025, all operating coal plants in the UK must comply with an emissions intensity limit of 450 grams of CO₂ per kWh of electricity generated.

In effect, this means all coal plants running without emissions abatement technology, such as carbon capture and storage or co-firing with biomass units, will be forced to close by the October 2025 deadline.

However, no additional constraints will be placed on coal power generation before this date, and the emissions limit will not apply to plants burning other fuels such as gas, the government confirmed.

The release of the consultation delivers a concrete plan to meet a long-held promise to ensure unabated coal comes off the UK power system by 2025, and is widely seen as a vital step towards ensuring the UK meets its legally binding target of cutting emissions by 80 per cent by 2050.

"As coal is the most carbon-intensive fossil fuel, a global transition away from unabated coal use is necessary if we are to achieve the ambition set out in the 2015 Paris Agreement," the government said in its response, adding that its plan sets a "bold example" to other countries around the world.

Ministers had considered requiring all coal plants to invest in carbon capture and storage (CCS) technology, but concluded it would be too time consuming and costly for plant owners to implement.

Coal has already largely been driven off the UK grid, down to a number of factors including an abundance of cheap natural gas and the plummeting cost and rapid rollout of renewables. But the primary reason by the "death spiral" experienced by the coal power sector is the government's carbon price floor, which sets a cost of £18 per tonne of CO₂ on emissions from the power sector - a policy that renders coal largely uneconomic against its competitors.

The policy has had a dramatic impact on the shape of the country's power sector. Just five years ago, coal produced 39 per cent of the UK's electricity. In the second quarter of 2017 coal's share had slumped to a record low of just two per cent.

An accompanying [Impact Assessment](#) from the government indicates the measures announced last week will see the vast majority of coal power withdrawn from the power grid by the early 2020s, with just 1.3GW of unabated capacity likely to be still running by the 2025 deadline.

However, concerns remain in some quarters that coal power is not being phased out quickly enough to deliver on the UK's carbon targets.

Analysis from trade body [RenewableUK](#) suggests that if coal remains on the power system beyond 2023 it could threaten the UK's ability to meet its medium-term carbon targets.

Similarly, a [study late last year](#) from energy analysts Aurora Energy Research warned the Treasury's controversial decision not to increase the carbon price floor could see a revival in the use of coal power in the early 2020s, assuming gas prices climb in line with the firm's forecasts.

The UK government last week also confirmed unabated coal units will be unable to bid for contracts under the Capacity Market beyond 2025, unless they can demonstrate that they will meet the 450g limit. However, the Secretary of State will reserve powers to reignite coal power in times of emergency, such as a threats of a major blackout.

Dr Jonathan Marshall, energy analyst at the Energy and Climate Intelligence Unit, welcomed the news, describing it as a "riposte" to countries which have sought to revive ailing coal industries in the face of an international slump.

However, Marshall questioned the decision to allow coal power to bid into the Capacity Market up to 2025, dubbing it a "missed opportunity".

"In light of recent rhetoric, observers could have expected a stronger move from the government, that would utilise the market to remove coal generation as soon as possible rather than handing it another lifeline," he said.

Source – BusinessGreen