

MINING SCOTLAND

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Dr N Hartley
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Dear Dr Hartley

PIU - UK Energy Review

I refer to the above review and to the comments already submitted by my colleague at Scottish Coal, Rod Savage. In his letter, we have commented in a more strategic manner to express our view that coal is a vital energy resource for this country which can make a significant, and acceptable contribution throughout the review period.

However, notwithstanding these views, we also believe that the circumstances in Scotland are worthy of separate more specific comment. I would firstly reiterate some of the comments made in our letter of 7th September 2001.

Scotland's industrial base is weighted towards the energy sector as a direct result of its strategic importance in producing energy. This is not only used directly in Scotland but is available for export to the rest of the UK, including Northern Ireland.

There is much comment about the importance of renewables in the future and the growing contribution that they can make to meet our growing energy demand. Scotland's natural resources of wind, rain, sea and areas of low population density should favour the growth of renewable energy production.

However, the question still remains with renewables as to whether:

- The scale of production can make a significant inroad into the demand.
- The total environmental cost of making and erecting low output production units in remote locations militates against the perceived environmental advantages.
- The public is prepared to accept a proliferation of increasingly large and visually obvious wind farms or environmentally damaging hydro-electric schemes.



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There is cause to believe that there may be significant opposition to seeing the natural beauty of remote rural areas becoming industrialised by such developments. The re-use of brownfield sites for new development (of any description) is a policy which has widespread acceptance by the public. Therefore, in terms of *balancing energy supply/consumption against the environment*, the production of energy in an area perceived to be brownfield, and already industrialised, has a positive environmental balancing effect.

In relation to Scotland, we suggest that the production of energy from renewable sources is already at a much higher level than elsewhere in the U.K., but at an environmental cost from the construction of dams and wind farms. This provides a positive balance when viewing the total energy balance of the Nation.

Whilst not suggesting that efforts to increase the amount of renewable energy should be curtailed, public debate will inevitably slow the process. By how much is not known, although we believe that the opportunity to challenge, by use of wider European-based environmental and human rights legislation means that the hindering effect will be more, rather than less, significant.

As a result, such legal and other democratic challenges will affect *long term security and diversity of supply* in relation to "renewables".

Future Policy

It is therefore believed that policy for the future must be based on proven suppliers of high volume energy such as coal, nuclear and gas. The concerns on nuclear are for others to comment upon. However, gas generation at a projected 70%-90% market share by 2020 with supplies from potentially unstable countries, must be a significant concern in this review.

We therefore believe that not only is coal a worthwhile contributor to total energy needs but is also vital. All the other sources have serious doubt about the role they will play – political (international, national and local) and/or public acceptability. Coals perceived problem area is technological – research is needed to harness the emission and use of the CO₂.

Coal is essential for the UK's needs and can be readily sourced from extensive resources in this country and elsewhere. The maximum benefit economically and in terms of security of supply, is if it comes from indigenous sources.

Depending on the point of view, a home-coal production industry either provides a cost effective reliable contribution to our energy requirements or it provides a vital means of ensuring that power is available when other more attractive options can not be realised.

Either way, long term resources of low sulphur coal and associated productive capacity is essential. Scotland has the resources, the technology, the expertise and a base-line productive capacity. An existing secure infrastructure also exists to distribute the energy.

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The environmental policy balance in
is struck by:

Scotland for the long term use of coal

- the relatively high level of existing renewable production
- the scope to increase this still further
- the further development of clean coal technology with harnessing of CO₂.
- the opportunity to maintain and/or to develop new coal generation plants on brownfield (rather than rural greenfield) sites
- opencast sites are only temporary uses of land with high quality restoration to beneficial afteruses
- Longannet deep mine has the potential to produce in excess of 2m tonnes p.a. at very low environmental cost.

Longannet Mine

This is a valuable source of very low sulphur coal with readily accessible reserves for the whole of the plan period.

The surface disturbance by the operation is very small with all access to the reserves from the existing surface installations. It is not necessary to disturb any additional land.

The mine directly adjoins Longannet Power Station which also has all the necessary infrastructure already installed, including transmission systems.

Coal is delivered from Longannet Mine direct to the Power Station by short conveyor. There is no road or rail transport involved.

This is a highly secure source of supply with a committed workforce who are currently accessing the new Kincardine Reserve area where greater geological certainty has been predicted.

Conclusion

Longannet Mine, with the associated opencast production, is suggested to be not only a valuable contributor to Scotland's needs but an essential part of a secure, diverse National Energy Policy.

As it is highly unlikely that a similar low sulphur reserve area could be found or worked economically by underground means elsewhere, this particular mine therefore assumes an even greater strategic importance.

It is therefore suggested that Scotland, and the rest of the UK, needs coal to be part of a future balanced energy portfolio if demand is to be met and the public/political opposition to other sources inevitably intensifies.

Yours sincerely,

**NCCrabb
for Mining (Scotland) Limited**

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