



An extension to Aberpergwm coal mine risks Wales' transition to net-zero

Summary

Wales has taken decisive action against coal mining in recent years. The Wales Act 2017 was used to block the extension of Nant Helen opencast coal mine. Similar action is now required against Aberpergwm underground coal mine.

Energybuild Ltd are extending its Aberpergwm coking coal mine and want to continue to do so until 2039. This goes against the Well-being of Future Generations Act by worsening the climate crisis which would affect the next generation around the world, as well as damaging Wales' reputation internationally.

Port Talbot steelworks is looking to decarbonise by converting to make new steel from scrap metal without using coal; otherwise it will have to close, making its staff, and those in supply chains, redundant. There's no place for more coal mining in a modern Wales.

Coal is blended at Port Talbot steelworks and, as such, mining more coal in Wales does not reduce the amount extracted elsewhere. More coal still has to be imported to be blended with Welsh coal at steelworks, exporting some of the environmental problems and propping up an unsustainable industry rather than looking for long term solutions.

Energybuild Ltd's finances show that this company may well sell on the mine if it is able to extend. The new company could maximise coal extraction and sell the coal to the highest bidder, or make a large number of redundancies. There are alternative ways to make steel and alternative sources of water filtration to anthracite coal.

There are two further coal mine expansion proposals in Wales which the government needs to prevent, while ensuring that previous mining sites are fully restored.

Coal is Wales' heritage, it isn't our future.

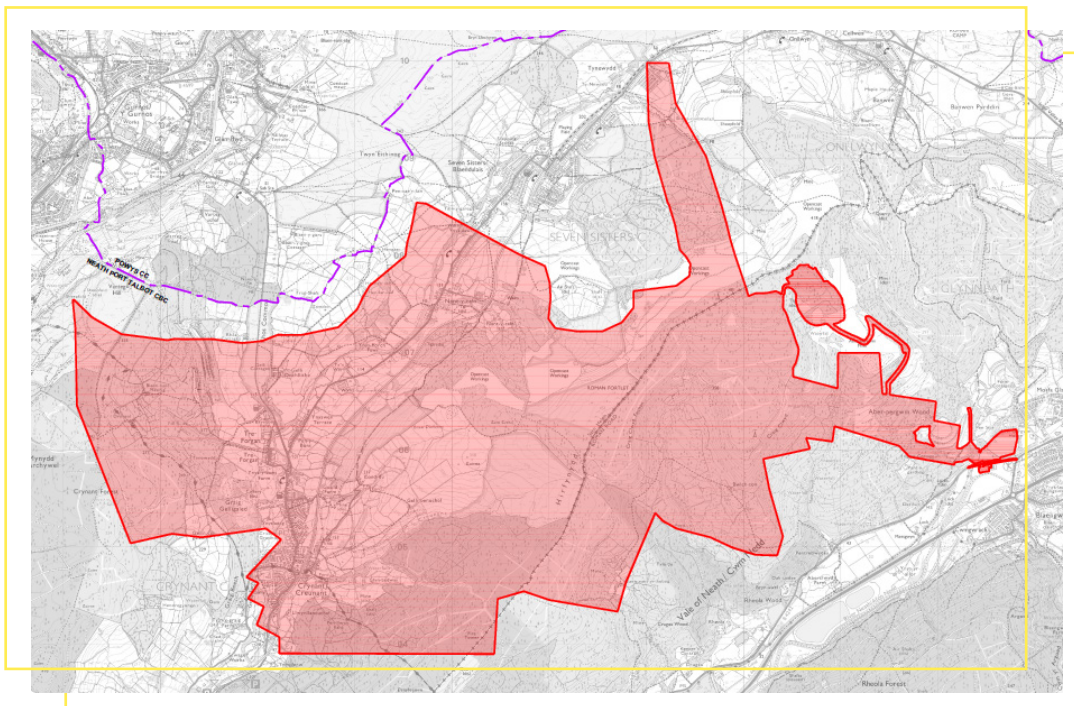
Introduction

The Ministerial use of the Wales Act 2017 to block the extension of Nant Helen opencast coal mine showed that Wales puts its climate commitments into action. The Welsh Government's March 12th 2021 policy statement against coal mining strengthened its existing commitment to reach net-zero. Stopping the new wave of coal mine extension applications, like that at Aberpergwm Colliery, gives an opportunity to show that Wales is still leading the way in taking real action to a more sustainable, coal-free future.

Wales and Scotland share a proud heritage of coal mining, but also shouldered the associated human and environmental tragedies. Now both devolved governments are leading the UK in charting a more sustainable future, free of coal mining; the Scottish government announced a de-facto blanket ban on coal mining in October 2022, the most strident stance against coal so far. This policy effectively blocks a live application for a new coal mine along the English-Scottish border. The Welsh and Scottish Governments must stand together in showing Westminster that there is no place in the UK for coal mining if we are to phase out coal use to avert catastrophic climate change and protect future generations.

Aberpergwm extension application

Energybuild Ltd proposes to extend Aberpergwm Colliery, its underground anthracite mine, to extract coal until 2039. The mine is located near to the town of Glynneath, Neath Port Talbot. The proposal would extend the mine's operation from the pit head to the River Dulais at Nant-y-cafn to Crynant/ Creunant, and over to the Crynant Forest.



Key facts:

- Employees: 152 workers¹ New jobs: 0
- Current status: active
- Annual tonnage in the last full year operating under the previous license:² 81,760 tonnes of coal. Proposed annual tonnage: 2.47 million tonnes a year (30x more each year than at present)
- Proposed total tonnage: 42 million tonnes in total
- Annual waste dumped: up to 0.95 million tonnes of waste per year on the tip overlooking Cwmgwrach
- Final year of operation: 2039
- Claimed uses: from 2023, 70% would go to steelworks and domestic heating³ to be sold to the UK, Ireland and Continental Europe⁴
- Amount of coal sold to Port Talbot Steelworks: 27% of its anthracite in 2021⁵
- Area of mining: 2.3km²
- Lorry movements: up to 237 lorry movements per day
- Lorry route: exit the site on the B4242, turning right past the Vale of Neath general practice surgery and onto the A465
- Emissions: The Combined methane and CO₂ emissions would be enormous - more than Wales' emissions for the rest of the decade from agriculture, public sector, housing, waste, and transport combined.⁶ (1.17 million tonnes⁷ of methane and around 121 million tonnes of CO₂⁸)
- Welsh carbon budgets and relevant law: 63% cut in emissions by 2030⁹ and Well-being of Future Generations (Wales) Act 2015
- Water filtration: Energybuild Ltd express an intent to supply more coal to water filtration uses but the quality of the coal in this seam appears to make it unsuitable for water filtration.¹⁰ Only a small percentage of the coal, if anything, can be used for this. Activated coconut shells and many other materials can be used instead, without the methane released by coal mining.

1 Q2 2022. Production and Manpower Returns, The Coal Authority

2 Q2 2021 to Q1 2022. Production and Manpower Returns, The Coal Authority

3 Channel 4 News report, 1m55. <https://www.channel4.com/news/are-cop26-promises-on-coal-being-broken> (04.02.22)

4 <https://www.energybuild.co.uk/cases/household-fuel>

5 <https://www.business-live.co.uk/economic-development/energybuild-less-carbon-intensive-future-23321912>

6 By Climate Cymru using: <https://statswales.gov.wales/Catalogue/Environment-and-Countryside/Greenhouse-Gas/emissionsofgreenhousegases-by-year>

7 Global Energy Monitor, cited in Channel 4 News report, 1m55. <https://www.channel4.com/news/are-cop26-promises-on-coal-being-broken> (04.02.22)

8 <https://www.bbc.co.uk/news/uk-wales-politics-59164533>

9 Wales carbon budgets/targets March 2021: <https://gov.wales/climate-change-targets-and-carbon-budgets>

10 Core samples show 88.3% fixed carbon content [https://orca.cardiff.ac.uk/115771/1/Zagorscak%20and%20Thomas%20\(2018\).pdf](https://orca.cardiff.ac.uk/115771/1/Zagorscak%20and%20Thomas%20(2018).pdf) (126)

What is anthracite coal?

Anthracite coal has the highest carbon percentage and fewest other elements of the various types of coal, so it produces more energy when burned. It can be used to create a chemical reaction and heat in the steelmaking process.¹¹ It is sometimes burnt in domestic settings, but it does not ignite easily and is more expensive than, other types of coal.

Who would mine the coal?

Energybuild Ltd currently owns Aberpergwm coal mine. However, planning permission goes with the property not the coal operator. As such Energybuild Ltd can make promises of lower tonnage, name a specific end use for the coal etc., and then simply sell on the coal mine to another operator who are under no obligation honour the promises of its predecessor, only what is in the planning agreement. The new operator can mine at the full capacity permitted by planning conditions and sell to the dirtiest of coal consumers. There is no legal avenue to stop this. There have already been a succession of owners of this site.

Is it better to consume coal from Wales rather than import it?

Port Talbot steelworks is looking to decarbonise and stop using coal in steel production. At present coal is imported to Port Talbot, in addition to being mined in Wales. This is because coals have to be blended to the correct quality for the plant to run efficiently. Extending coal mining at Aberpergwm lengthens the time that coal is imported, as it cannot be used exclusively. Increasing coal mining in the UK does not result in reduce mining elsewhere, it merely increases the amount of coal mined globally worsening the climate crisis. The only way for Wales to reach net zero is to keep all coal underground.

Steel is an internationally traded commodity, at present the UK is exporting vast amounts of scrap steel abroad to countries like Turkey which have a poor environmental record. If instead the scrap steel stays in the Wales, it can be converted to new products at a renovated Port Talbot, using Electric Arc Furnaces with a much lower carbon footprint while keeping Welsh jobs. If Aberpergwm is extended we risk both the climate and all the jobs at the steelworks, a very short sighted action from the Welsh Government.

Port Talbot decarbonisation or closure

At present the single biggest customer for coal from Aberpergwm appears to be Port Talbot Steelworks. The steelworks is the biggest emitter of CO₂ in Wales, and the second biggest in the UK.

¹¹ <https://www.carbones.at/anthracite-coal>

The future of the plant is uncertain. Tata Steel has given the UK government an ultimatum - a £1.5 billion subsidy to convert the plant to use Electric Arc Furnaces for recycling scrap steel or actions to close the site will commence in July 2023 and all 4000 jobs would be lost. The company would provide the other half of the total investment needed.¹² If the plant closes it would not require any coal and if it decarbonises most of the methods available to produce steel require little or no coal at all.

Carbon capture and storage (CCS) at Port Talbot

Although some people suggest that CCS could be used to decarbonise Port Talbot steelworks, CCS is not a real option as:

- it would add significantly to the costs of steel production¹³ as CCS is energy intensive¹⁴
- there is nowhere nearby to store the carbon dioxide – a whole new pipe infrastructure or fleet of ships would be needed to reach geological storage¹⁵
- CCS has not been rolled out at scale. The International Environment Agency predicted 22GW of projects in operation by 2020, in reality less than 0.5GW has materialised¹⁶
- CCS would not capture all of the emissions. Of the three flagship USA/Canada CCS projects none have captured more than 40%¹⁷
- Electric arc furnaces are a tried and tested way to produce greener steel.

Russia's invasion of Ukraine

The UK government has announced that it will stop buying Russian coal and oil by the end of this year and Russian gas “as soon as possible thereafter”.¹⁸ In 2021, Russia supplied 43% of the coal consumed in British power stations and steel works.¹⁹

The invasion of Ukraine does not justify continued or increased coal mining in the UK. In relation to the proposed Cumbrian coking coal mine, Chris McDonald, chief executive of the Materials Processing Institute and chair of the UK Metals Council said, “I think it’s important to be clear that even if this [West Cumbrian Coal] mine opened tomorrow, it would not displace a single tonne of Russian coking coal from the UK – and I can say that with confidence”.²⁰ Although Chris McDonald is referring to the Cumbrian coal mine, the same likely holds true for the proposed Aberpergwm extension. Irrespective of supplies of UK coal, Tata Steel has said that it will not use any Russian coking coal.²¹

12 <https://www.walesonline.co.uk/news/tata-threatens-shut-port-talbot-24558276>

13 <https://www.hse.gov.uk/carboncapture/index.htm>

14 <https://www.foodandwaterwatch.org/2021/07/20/top-5-reasons-carbon-capture-and-storage-ccs-is-bogus>

15 <https://ukccsrc.ac.uk/ccs-explained/carbon-storage>

16 <https://rethinkresearch.biz/articles/ccus-fails-to-deliver-as-ipcc-calls-for-negative-emissions-by-2050>

17 *ibid*

18 <https://www.gov.uk/government/news/uk-imposes-sweeping-new-sanctions-to-starve-putins-war-machine>

19 Digest of UK Energy Statistics Annual Data for UK, 2021 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1094629/DUKES_2022.pdf

20 <https://www.theguardian.com/business/2022/may/01/steel-boss-dismisses-claim-that-sector-needs-new-cumbrian-coalmine>

21 <https://www.sustainable-carbon.org/uk-tata-steel-which-runs-port-talbot-steelworks-say-they-will-no-longer-use-russian-coal>

Water filtration and alternative sources

Energybuild Ltd is keen to say that it will be diversifying its customers. The planning permission does not require this. Even if 100% of the coal went to water filtration, methane emissions would remain the same as it is released during mining rather than on consumption. Methane is a more potent greenhouse gas than carbon dioxide.

There are many other products used to filter water and so anthracite is not needed. For example coconut shells, used in activated carbon filtration, is inexpensive compared to other sources of activated carbon, such as anthracite—and are a waste product.²² As a consequence, using coal in water filtration releases much higher emissions than the many other ways by which water can be filtered.

Energybuild Ltd's finances

EnergyBuild Ltd is a company with negligible assets. This limits the possibility of recovering funds if the company folded with liabilities including ongoing drainage, restoring the site, and making the tunnels safe.

Companies House shows a complicated operating structure of many small companies with similar names and shared registered addresses associated with Energybuild Ltd, the coal operator for Aberpergwm. Energybuild Resources Ltd has net liabilities of £2.7 million and assets valued at £0.95 million at the end of 2019. If the company were to fold, there is unlikely sufficient funds for restoration works.

The outstanding filing of accounts for 2020 by Energybuild Ltd, Energybuild Mining Ltd, and Energybuild Resources Ltd, all closely related companies, remain overdue in October 2022. Energybuild Resources Ltd's company status is 'Receiver Action'.

There are several closely related companies which share directors and addresses with Energybuild listed on Companies House. IMR Asia Holding PTE Ltd owns the land that is being mined. The company is based in Singapore and serves Swiss investors.

If Energybuild Mining Ltd folds, it might be this company that is liable for restoration, but because it is based in Singapore, there will be no ability to extract the promised funds.

Mine water heating

Energybuild Ltd employees consider the site at Aberpergwm suitable for the production of "green heat". There is an experimental mine heat scheme in County Durham; geothermal heat from the network of flooded abandoned coal mines in the area surrounding the Dawdon mine water treatment scheme warm the submerged pipes which can then transfer heat into people's homes.²³

²² <https://www.waterfilteradvisor.com/filtration-media/activated-coconut-shell-carbon>

²³ <https://www.gov.uk/government/news/uks-first-district-heating-scheme-using-mine-water-energy-now-in-development>

While the use of the geothermal heat already available in south Wales could be a good use of historic infrastructure, should the Durham pilot be successful, there is no need to extend coal mining in order to access these resources. Mine water heating offers an alternative use for the site once mining is complete, rather than a reason to extend mining.

Other proposed Welsh coal mine extensions

Ffos-y-fran extension

In 2007, work began to mine 11 million tonnes of coal from Ffos-y-fran opencast overlooking Merthyr Tydfil. The coal mine was scheduled to closed in September 2022. Now the coal mining company operating the mine Merthyr (South Wales) Ltd, seek to vary the planning conditions and mine coal for a further 9 months while it submits a planning application for a further 3 years of coal mining. The original application was strongly resisted by the local community as the site damages the ecology and removed access to the common land. The same residents are resisting the extension proposals.

Glan Lash Extension

Bryn Bach Coal Ltd want to more than double the size of its opencast coal mine to extract over 95,000 tonnes more of coal from the site near Ammanford, Carmarthenshire. An independent Planning Ecology report commissioned by the Carmarthenshire County Council recommends rejection of the application to fulfil the Council's duty to "maintain and enhance biodiversity".

The opencast should have closed in 2016, with a 5 year restoration period following the year of site restoration but this application has delayed the restoration promised to local residents by almost 6 years so far. The nearest settlement to the extension would be 440 metres away, 60 metres less than the stipulation of the Minerals Technical Advice Note 2, para. 29, "coal working will generally not be acceptable within 500 metres (m) of settlements".²⁴

Wales' coal mine restoration problem

Coal Action Network will be releasing a report, 'Coal Mine Restoration in South Wales' into the state of 7 opencast coal mines in South Wales.²⁵ This serves as an update to the 2014 Welsh Government report, 'Research into the failure to restore opencast coal sites in south Wales'²⁶ on the state of restoration across Wales, which flagged these sites as liabilities for being left unrestored or poorly restored.

The research finds that mining companies have consistently evaded millions in restoration costs, and Local Planning Authorities struggle to keep promises made to local communities impacted by unrestored or poorly restored coal mines. Field research indicates that even

²⁴ <https://www.coalaction.org.uk/2022/08/17/glan-lash-overview>

²⁵ <https://www.coalaction.org.uk/2022/11/21/coal-mine-restoration>

²⁶ <https://gov.wales/sites/default/files/publications/2019-07/failure-to-restore-opencast-coal-sites-in-south-wales.pdf>

those sites which Local Planning Authorities have claimed are fully restored contain uncovered and leaking storage tanks of industrial chemicals, abandoned warehouses, concrete platforms, and no-go zones sectioned off with barbed wire.

A webinar will be held at **12-1pm on Tuesday 13th December 2022** by Coal Action Network on this issue. Find out more: www.coalaction.org.uk/2022/11/25/restoration-webinar

Recommendations

- **The Welsh government refuses to permit the Aberpergwm coal mine expansion licensing should the decision be referred to it following the Judge's decision at the Judicial Review, due to its impacts on Wales' climate commitments and Well-being of Future Generations promise.**
- Government to ensure that the energy transition means the 50,000 homes in Wales install proper insulation, air source/ground source heat pumps, and end coal burning in domestic settings.
- Government implements proposal by Jane Dodds MS to enrol heavy industry workers on the universal basic income pilot, ensuring ex-coal mine workers from Aberpergwm included to support their transition to sustainable industries as part of a package of support and retraining.
- Government ensures that an adequate restoration fund has been already accumulated in an escrow account by Neath Port Talbot to provide for full restoration at the Aberpergwm coal mine.
- Issue an unambiguous Ministerial statement ruling out any new or expanded commercial coal mining on Welsh soil, creating parity with Scotland. Make 2022 the final chapter in the history book of coal in Wales.

Coal Action Network

Coal Action Network works for an end to coal use in power generation and steel production; coal extraction and coal imports in the UK, and for justice for communities affected by the UK's current and historical coal consumption and mining. We seek to amplify and strengthen the networks and capacity of front-line communities against extractivism and environmental racism, towards direct democracy and for just transition.

info@coalaction.org.uk www.coalaction.org.uk [@coalactionUK](https://twitter.com/coalactionUK)

