

AWA Appears Before Alberta Coal Policy Committee

June 30, 2021



On June 9, 2021 AWA presented a brief to the provincial Coal Policy Committee established earlier this year to consult with Albertans and report to Minister Savage on what, in the Minister's words, a "modern" coal policy should look like.

AWA made it clear to the Committee that we view a "no" coal policy as what a "modern" 21st Century coal policy should look like. For your information, this is the link to AWA's [PowerPoint presentation](#) to the committee. The PowerPoint presentation was in turn based on a [research report](#) AWA prepared for the Committee's consideration.

Both documents focused on economics and metallurgical coal markets in the 21st Century. We decided to leave the purely environmental arguments to others and instead target economics/markets – what should be the pro-coal mining fraternity's strongest suit. If the argument can be critiqued effectively then the metallurgical coal lobby may be mortally wounded.

Whether you look at future scenarios for the global metallurgical coal mining industry from the International Energy Agency or the steel making industry from the World Steel Association the future is dark for coking coal production. And, the minuscule revenues coal mining is likely to generate adds further strength to AWA's view that Warren Buffet could have had coal in mind when he said: "If you aren't willing to own a stock for ten years, don't even think about owning it for ten minutes." Coal is an investment to be avoided at all costs.

The release, eight days later, of the Report of the Joint Review Panel into the Grassy Mountain Coal Project boosted the credibility of the approach we took with the Coal Policy Committee. Benga Mining essentially told the Joint Review Panel to trust its economic modeling and to ignore any of the risks that could undermine its rosy economic forecasts. The Joint Review Panel ignored that advice and took the risks associated with coal prices, evolving steel making technologies, and climate change seriously.

The Panel concluded that "Benga's estimated royalty payments are likely overstated." The Panel also didn't have confidence in Benga's estimates of what it would pay in taxes. In many ways, the thrust of the Panel's socio-economic assessment of Benga's project mirrored AWA's argument to the Coal Policy Committee: "We find that Benga presented an overly optimistic economic analysis that did not adequately consider these economic risks, which could undermine project economic viability, employment, and payments to governments later in the mine life." Those words, from the Joint Review Panel Report, could have come from AWA's submission to the Committee.

By following this link you can further explore the presentations and documents that have so far been posted on the Coal Policy Committee's website: <https://your.alberta.ca/coal-policy-committee/widgets/91480/documents> (for some reason AWA's research report hasn't been posted yet; it should appear shortly).

Sincerely,
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Dedicated to the conservation of wilderness and completion of a protected areas network, AWA inspires communities to care for Alberta's wild spaces through awareness and action.

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