

James, Diana J

From: Robert Bruce <Robert.Bruce@freeths.co.uk>
Sent: 21 September 2020 13:38
To: Robert Bruce
Subject: FW: West Cumbria Mining - response from British Steel

From: Schofield, Martin <[REDACTED]>
Sent: 03 August 2020 08:31
To: Kenyon, Guy <[REDACTED]>
Cc: Deelen, Antonius <[REDACTED]>
Subject: RE: West Cumbria Mining (WCM) - proposed new coal mine in Whitehaven, Cumbria

Good Morning Guy,

Please find below answers to the questions;

1. Whether the WCM coal will find a market in the UK and Europe

The coal has a low moisture & ash, the Sulphur is however higher in comparison to comparable US coals we purchase. A shorter supply chain means the coal should be considered by other mainland European Steel Mills an alternative to US supply. We cannot comment on the likelihood of the coal been used by other Steel Mills as each will review the coals compatibility with their coal blend, assess their technical constraints of their operation and determine if the coal fits into their supply chain, buying strategy with the commercial proposition from West Cumbria.

2. Will British Steel be likely to buy the coal (assuming the commercial terms can be agreed)?

Dependent on the future business strategy for our operations the likelihood and quantity of coal which we could buy is a function of the commercial proposition, and the technical evaluation of the coal - once we have samples and undertaken trials. Sulphur is a constraining factor which currently limits the use of the coal. Currently, we have a total sulphur limit applied to the coal blend.

3. If it does, is it likely to substitute directly for US coal, thereby leading to transport savings and reduced emissions? (The assumption here is that US coal production would be likely to reduce correspondingly, as it would be unlikely to find an alternative market.)

It would likely replace US coal/s for British Steel and therefore reduce shipping/emissions within the supply chain. Our consumption of US coals is very small in comparison to the total market, US coals are consumed domestically within the US, and exported globally.

4. Or will the new mine simply increase the amount of available coking coal and lead to an increased consumption and burning of coal (and GHG emissions)?

The increase in consumption of coking coal is related to steel demand, the greater the steel demand the more coking coal consumed. If this coal can be used by UK / Mainland European steel mills it should provide a commercial benefit with a shorter raw material supply chain. If we use it, it would displace other coals in the blend and therefore, no more coal would be burned.

5. Will the increased sulphur content of the coal cause any difficulty in finding a market? Would the coal still be an desirable HVA metallurgical coal?

The Sulphur content of the coal is an issue for British Steel currently due to our operations and blend sulphur limit. Dependent of other Steel Mill operations (i.e. De-Sulphurisation Plant) and the other coals used in their blend, the sulphur will present different levels of difficulty for each steel mill to incorporate in their coal blend.

6. How long is the need for metallurgical coal for steel making likely to continue, given the potential transition to new lower carbon steel making?

Metallurgical coal will always be required as long as steel is produced from the integrated route. Currently there is no viable alternative to using coking coal in large scale steel production, and this is expected to be the case for the foreseeable future.

Best Regards

Martin

Kind Regards

Martin Schofield

Manager, Coal and Coke Strategic Procurement

British Steel

M I [REDACTED]

T I [REDACTED]



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From: Kenyon, Guy

Sent: 27 July 2020 14:41

To: 'Antonius.Deelen [REDACTED]

'Martin.Schofield [REDACTED]

Cc: Haggin, Paul ([REDACTED])

Subject: West Cumbria Mining (WCM) - proposed new coal mine in Whitehaven, Cumbria

Dear Ron and Martin

Thank you for making time to speak to me today. The conversation was very useful and informative.

As I said on the call, the Council is currently dealing with a planning application by WCM for a new metallurgical coal mine near Whitehaven expected to operate for up to 50 years. WCM are proposing to produce 2,780,000 tonnes per annum of High Vol A Hard Coking Coal for use in UK and European steel making. The expectation is that this would substitute for coal that is currently imported from the USA. WCM had originally planned to produce HVA coal with a sulphur content of up to 1.4%, along with some middlings coal. The revised planning application that we are now considering is for the production of metallurgical coal only, but with a sulphur content typically up to 1.6% (and potentially as high as 1.8%).

The questions we are seeking to answer are:

1. Whether the WCM coal will find a market in the UK and Europe
2. Will British Steel be likely to buy the coal (assuming the commercial terms can be agreed)?

3. If it does, is it likely to substitute directly for US coal, thereby leading to transport savings and reduced emissions? (The assumption here is that US coal production would be likely to reduce correspondingly, as it would be unlikely to find an alternative market.)
4. Or will the new mine simply increase the amount of available coking coal and lead to an increased consumption and burning of coal (and GHG emissions)?
5. Will the increased sulphur content of the coal cause any difficulty in finding a market? Would the coal still be an desirable HVA metallurgical coal?
6. How long is the need for metallurgical coal for steel making likely to continue, given the potential transition to new lower carbon steel making?

If you can provide the Council with a letter setting out your views on these matters I would be very grateful. We are seeking to gather further information this week to inform the writing of a report to our planning committee in August.

Kind regards

Guy

Guy Kenyon

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