

When Coal Is the Default

Every energy shock has a reflex. When the cleaner, more complicated supply is suddenly in doubt, countries reach for the fuel they know they can always get. The worst part of coal's climate footprint is also the cheapest part to fix. Almost no one is talking about it.

Kaj Embrén — Founder · Juneia Mallas — Lead Researcher · Richard Mattus — Technical Advisor

82×

METHANE POTENCY
VS CO₂ (20-YR)

42M t

COAL MINE CH₄
PER YEAR

~70%

VAM SHARE
OF EMISSIONS

AUD 5-7

ABATEMENT COST
PER TONNE (20-YR)

1%

CURRENTLY
ABATED



Coal loading operations at a major export port — the infrastructure of an industry whose methane footprint remains almost entirely unaccounted for. © Shutterstock

The trigger this time is the war. A prolonged conflict with Iran, strikes on LNG infrastructure, and the closure of the Strait of Hormuz have done in weeks what a decade of policy papers insisted could never happen quickly: they have made liquefied natural gas look unreliable. And when gas wobbles, coal steadies.

The figures are already moving. Asian importers squeezed out of stable LNG are pivoting straight to coal, with May's global imports tracking as the third-highest monthly total on record. That would be notable in any month. It is remarkable in one that should normally see imports tail off as the northern heating season ends.

This is not a forecast. It is a tide that has already turned.

WHAT THE PANIC GETS RIGHT

It is worth being honest about why this is happening, because the reflex is not irrational. Renewables are the answer to fossil dependency — but they are not the *immediate* answer. You cannot build a grid's worth of solar, storage and transmission in the span of a shipping disruption. Governments staring at blackouts and angry voters do not have the luxury of the 2035 timeline.

So the political licences are being written: energy-emergency declarations, relaxed coal rules, restarted plants. The Philippines became the first country in the world to declare a national energy emergency, with President Marcos signing the executive order in late March. India has put its Ministry of Coal on explicit standby, holding 210 million metric tonnes in stock. South Korea is considering reactivating mothballed coal plants while simultaneously accelerating nuclear restarts.

Coal becomes the default position not because anyone argued for it, but because no one had time to argue against it. The Brief's quarrel is not with that decision. It is with what the decision quietly leaves out.

THE CONVERSATION NOBODY IS HAVING

In all the coverage of coal's return — the import figures, the emergency declarations, the hand-wringing over slipping emissions targets — there is an almost total silence on one point: the worst part of coal's climate footprint is also the cheapest part to fix.

When coal is mined, methane comes with it. Most of it leaves through ventilation shafts as ventilation air methane, or VAM — too dilute to burn, vented straight to the sky in enormous volumes. Measured over twenty years, the window that actually matters for near-term warming, methane is roughly 82 times more potent than CO₂. A single gassy mine can do the warming work of a small fleet of power stations, invisibly, before a single lump of coal is burned.

"The coal industry is currently abating approximately 1% of its total methane emissions."

Read that again.

THE NUMBER

3x

The factor by which VAM abatement cost falls when measured on the scientifically correct 20-year basis.

AUD 16–20 per tonne on the standard 100-year measure becomes AUD 5–7 on the 20-year measure — the price of a sandwich, for verified climate abatement, using technology operating commercially today.

A new study from CSIRO, Australia's national science agency, published this month in the *International Journal of Coal Geology*, describes regenerative thermal oxidation as "the only commercially operational VAM abatement technology worldwide" and projects VAM abatement to dominate methane mitigation globally by 2030. The paper puts abatement cost at around AUD 16–20 per tonne — already cheap. But a footnote on the final page concedes that the figure depends entirely on how you count methane. Measured over 20 years — the honest horizon for a gas that lingers for only about twelve years — the cost per tonne falls by approximately a factor of three.

That is the number to hold onto. Around AUD 5–7 per tonne of CO₂-equivalent. The price of a sandwich, for verified climate abatement, using technology that already runs commercially today.

WHAT THE MARKET IS MISSING

Here is the part the energy-security debate keeps treating as settled. The question "should we burn more coal?" is being fought as though the only options were *coal* and *no coal*. But mine methane is a separable layer. You can abate it whether or not the coal beneath it ever stops burning.

That changes the politics entirely. Every government issuing a licence to burn more coal is, in the same breath, declining to attach the cheapest climate condition available to it. Not a renewables mandate. Not a carbon price that bites. Simply a requirement to oxidise the methane the mine was going to vent anyway — at a cost that rounds to nothing against the value of the coal being sold.

The CSIRO study even hands policymakers a threshold: RTO units should be installed at every underground mine venting more than 0.4% methane. But that bar is set cautiously. RTO equipment can already deal with methane concentrations as low as 0.2% — technology in commercial operation at working mines today, not a laboratory prospect. Some RTO suppliers can write a 0.2% performance guarantee into a contract.

A coal-laden barge approaches a power station — in Asia, demand is rising as LNG supply chains buckle under the pressure of the Hormuz disruption. © Shutterstock



The IEA estimates that around \$85 billion in spending from the coal sector is needed through 2030 to implement all available methane abatement measures. That figure sounds large until set against context: the global coal industry generated over \$900 billion in revenue in 2022 alone. The cumulative abatement investment represents a fraction of a single year's sector income.

VAM Mitigation (20-yr basis)	AUD 5-7	1× baseline
VAM Mitigation (100-yr basis)	AUD 16-20	3× VAM
Carbon Capture & Storage	\$100-190+	5-10× more
Direct Air Capture	\$600-\$1,000	30-143× more

The EU Methane Regulation, in force since August 2024, establishes a framework — but its teeth phase in slowly. Importer reporting requirements only began in May 2025. Methane intensity limits on imports do not activate until 2030. In the meantime, 90% of EU hard coal imports arrive from five countries — Australia, the United States, Colombia, South Africa and Kazakhstan — none of which currently operates a monitoring regime equivalent to what the regulation will eventually require.

The energy security shock of 2026 will likely accelerate coal's return in the short term. That is probably unavoidable. What is not unavoidable is repeating the error of treating coal as a black box — extracting the energy, venting the methane, and accounting for neither. The escape clause is in the contract. Someone needs to start enforcing it.

"If the war has bought coal a political reprieve, that reprieve should carry the one condition the industry can no longer plausibly refuse on cost. We now have the study, the technology, and the number. What we still don't have is anyone in the room connecting them."

WHO'S MOVING

CSIRO, May 2026. Australia's national science agency publishes a landmark study in the *International Journal of Coal Geology* confirming regenerative thermal oxidation as the only commercially operational VAM abatement technology, with projections for global dominance in methane mitigation by 2030. Cost modelling on a 20-year GWP basis places abatement at AUD 5-7 per tonne — far below any competing decarbonisation technology.

Philippines, March 2026. President Marcos signs a national energy emergency declaration, explicitly directing the country to boost output from coal-fired power plants as the Strait of Hormuz conflict disrupts gas shipments. The first explicit government-level coal switch triggered by the conflict.

EU ETS reform, July 2026. The European Commission committed to a full ETS reform proposal after eleven member states called for suspension of the system. The July review is the most consequential near-term opportunity in European carbon market architecture — and the most obvious moment to ask whether coal mine methane abatement should finally become eligible to generate ETS credits. That question does not yet appear to be on the reform agenda. It should be.

Japan GX-ETS, April 2026. Japan's mandatory carbon trading scheme, which became binding for major emitters in April, allows companies to use carbon credits to offset up to 10% of regulated emissions — creating new credit demand in precisely the region where coal use is now expanding. The mechanism exists. VAM abatement credits could fill it.

China, 2026. Beijing has introduced new air pollution standards for coalbed methane, requiring operators to capture and utilise gas at concentrations of 8% or higher rather than vent it. The first new Chinese regulatory move specifically targeting CMM capture in several years — significant given China accounts for roughly half of global coal mine methane emissions.

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