

Press release

THEnergy sees mining companies prepare action plans against carbon measures at the Paris climate conference

Significant carbon charges would speed up solar-diesel and wind-diesel hybrid projects at mines and might boost storage applications.

Munich, November 30, 2015 – Until very recently, there was little activity among mining companies regarding renewable energy. A recent report from CDP, formerly known as the Carbon Disclosure Project, came to the conclusion that the biggest miners are “unprepared for the transition to a low-carbon economy.” Nine out of the 11 analyzed large mining companies oppose new climate regulation. Only two appear to be “supportive of climate regulation.” For many mining companies, the main threat lies in new charges on coal. Only a few mining companies consider slowing or selling-off their coal-mining activities.

THEnergy has, however, realized that many of the large mining companies have started to focus on short-term actions regarding powering their mines. They prepare actions plans to react to carbon-reduction measures that might be adopted at the Paris climate conference. Large mining companies are working on a strategy for renewable-energy projects such as wind and solar power at their mines. Companies like Rio Tinto, Glencore, BHP Billiton and Goldfields have already finished their first pilot power plants or have recently announced new projects.

Energy typically amounts to approximately 20–30% of the operating costs of a mine. Strict carbon-reduction decisions at the Paris climate conference could have a strong influence on the cost position of mines. Mining companies that manage to adapt early to the challenges of a low-carbon economy could gain significant competitive advantages. In many cases, renewable energy is less expensive than electricity from conventional energy sources—even today, without any new carbon actions—especially for remote mines that are not connected to the grid and are powered by expensive diesel fuel.

“Mining companies are in the process of understanding that renewable energy can largely improve their competitive situation. Many miners struggle, however, to make the necessary decisions quickly as they face severe market challenges from falling commodity prices at the same time,” explains Dr. Thomas Hillig, CEO of the consulting firm THEnergy, which specializes in the topic of renewables and mining. “We are in a normal learning process, many mining companies have already understood that the prices of solar and wind power have decreased considerably in the last years. If significant carbon reduction measures are adopted at the Paris climate conference, we will see many solar and wind plants at mines in the very near future.” High carbon charges could even speed up the diffusion of battery-storage technology in order to increase the solar and wind share at the mines.

For more information about “Renewables and Mining” visit: www.th-energy.net/mining



About Dr. Thomas Hillig Energy Consulting (“THEnergy”)

THEnergy assists companies in dealing with energy-related challenges. Renewable energy companies are offered strategy, marketing and sales consulting services. For industrial companies THEnergy develops energy concepts and shows how they can become more sustainable. It combines experience from conventional and renewable energy with industry knowledge in consulting. In addition to business consulting, THEnergy advises investors regarding renewable energy investments in changing markets. It is also active in marketing intelligence and as an information provider in select fields, such as renewables and mining, through the platform th-energy.net/mining or renewables on islands through the new platform th-energy.net/islands.

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