FUTURECOAL

The Global Alliance for Sustainable Coal

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Bringing Reality Back Into the Room

In August, I wrote that the tide was beginning to turn. At the time, this shift was not yet reflected in policy settings, market behaviour or mainstream debate. Across the global energy system, decisions continued to be shaped by narrow narratives rather than system realities.

Coal was increasingly treated as an exposure to be managed down, rather than as a strategic energy and industrial asset. Financial frameworks narrowed investment choices instead of strengthening resilience. Policy debate prioritised exit timelines over reliability, affordability and supply security.

Yet the structural pressures were already evident. Global energy demand continued to rise. Electricity systems tightened. Costs increased. Supply chains became more fragile. Governments and system operators were forced to confront a simple constraint: energy systems cannot be transformed on modelling assumptions alone.

What we are seeing now is not a sudden change of heart. It is the moment that reality has forced itself back into the room.

Across jurisdictions, policymakers, system operators, industry and investors are converging on the same conclusions. Energy security matters. Affordability matters. Emissions reduction must be delivered through technology, stewardship and scale. These are not competing goals; they are interdependent.

This moment has been years in the making. FutureCoal has consistently argued that success depends on policies grounded in facts, technology and national interest. We have said, repeatedly and publicly, that energy security matters, that affordability matters, and that emissions reduction must be delivered through innovation and stewardship, not ideology and exclusion. Those arguments were often uncomfortable. Today, they are unavoidable.

Australia is where this shift has been most visible.

When we commenced our Australia Roadshow in October, the environment was still openly hostile. Coal, both thermal and metallurgical, was treated as something to be apologised for, not planned for. Conversations were defensive, and policy settings were still built on assumptions rather than system needs. But we continued to re-anchor the discussion in reality.

During the Roadshow, FutureCoal hosted a Roundtable that brought together participants from across the domestic coal value chain, including corporate and associate members, government representatives, industry bodies, suppliers, and finance and investment stakeholders. The purpose was clear. To align national priorities with global realities. To demonstrate how Sustainable Coal Stewardship provides a credible pathway for coal to contribute to security, emissions reduction and industrial development. And to reinforce the need for a united industry voice.

What we observed over the course of the Roadshow was a measurable shift. Conversations that began in opposition moved towards growing recognition that coal's role in Australia's energy system could not simply be wished away without consequence. Australia needs coal.

That shift was confirmed decisively with the release of the Australian Energy Market Operator's (AEMO) 2026 Draft Integrated System Plan report in December.

AEMO's findings were unequivocal. Coal will be required to stabilise Australia's electricity grid until at least 2049, twelve years longer than previously forecast. It also confirmed that transmission costs will need to double as renewable build-out accelerates, increasing pressure on household incomes and industrial competitiveness.

This was not a political statement. It was the system operator stating a technical reality.

For those of us who have been calling for realism, this report marked a turning point. It validated what engineers, operators and industry participants have long understood. Coal is not an inconvenience to be managed out of sight. It is a stabilising force within the system, and it will remain so for decades.

That recognition is something I have stated consistently during my time in Australia over recent months. At the International Mining and Resources Conference + Expo (IMARC) 2025, I joined Stuart Bocking, CEO of Coal Australia, and Nick Jorss, Founder of Coal Australia, on a panel titled *Challenges and Opportunities for Building a Sustainable Future for Global Coal*. The discussion moved beyond whether coal has a role and focused instead on how that role can be delivered more responsibly through technology, collaboration and innovation.

The media engagement around IMARC reflected the same evolution. Interviews with *Nikkei Asia*, ABC *NSW Country Hour* and the *Coalface Podcast* were framed not around coal's legitimacy, but around coal's performance. The focus was on energy security, cost pressures, industrial resilience and the technologies available to reduce emissions. This shift in tone matters. Public debate shapes policy space, and policy space determines investment outcomes.

Government engagement mirrored this change. Meetings with the Queensland Government delegation, including Dale Last, Minister for Natural Resources and Mines, and with David Littleproud MP, Leader of the National Party, demonstrated growing alignment around the need for pragmatic, nationally aligned energy policy. The appetite was no longer for slogans, but for solutions.

That same message was delivered clearly at the National Press Club of Australia on 18 November. Speaking before government leaders, industry executives, diplomats and the press gallery, I challenged long-held assumptions about Australia's energy debate and called for a return to the original, technology-neutral intent of the Paris Agreement.

An extract from that address captures the essence of the argument:

"When we demand balance, balance emerges, but not without challenge and effort.

And perhaps that's the lesson for all of us. This is not about leading questions and getting the answers we want to hear. It's about interrogating. We need to return balance to the public debate on climate, exactly as the Paris Agreement intended. We need to use every tool available but never rely on one.

Our goal is not to narrow the conversation. It's to broaden it."

To illustrate how far the debate has drifted from that original intent, I also asked artificial intelligence for its interpretation of the Paris Agreement. This was its response:

*"**Yes, we've largely strayed from the original intent of the Paris Agreement.** Global emissions remain high, current policies fall far short of the 1.5°C pathway, and climate finance and **fossil- fuel phaseout lag** behind what the Agreement envisioned. Still, the Paris framework continues to guide climate action, even if the world has not yet met its ambition."*

When I challenged the model on whether the Paris Agreement actually calls for a fossil-fuel phase-out, this was its reply:

*"Yes. You're right, **the Paris Agreement does not explicitly call for a fossil-fuel phaseout.** The Paris Agreement was built on flexibility, technological diversity, sovereign choice and multiple pathways. It never endorsed a single prescriptive model, not 100% renewables, not fossil fuel- free, not one- size-fits-all."*

As I said in my speech, I am not naïve about how artificial intelligence learns. In fact, I asked several people with very different viewpoints to submit the same questions, simply to see how the model would respond. What became clear is that AI only delivers balanced perspectives when we ask balanced questions, and when we bring a degree of knowledge to the conversation ourselves.

That observation is not new. It echoes a framework we have largely forgotten: *Sustainomics*. Developed by Nobel Peace Prize co-recipient Professor Mohan Munasinghe, Sustainomics is sustainability with a backbone, a science-based approach that evaluates every option, traditional or emerging, across environmental, economic and social criteria. After my remarks at the National Press Club, Professor Munasinghe reinforced the same point to me directly: sustainability must be grounded in evidence, not ideology.

The response, both in the room and beyond it, confirmed that Australia is now ready to have this conversation openly.

My appearance on The John Anderson Podcast, hosted by former Deputy Prime Minister John Anderson and one of Australia's and the world's most influential public affairs platforms, with nearly one million subscribers and more than 270 million YouTube views, underscored the strong public appetite for informed, fact-based discussion on coal's role in a modern energy system. The episode, **Why the World Still Needs Coal**, attracted tens of thousands of viewers within days, confirming growing fatigue with ideology-driven debate and a clear demand to improve coal IQ through education and a deeper understanding of the coal value chain.

What we are seeing globally is not fragmentation — it is convergence. Countries with vastly different political systems, energy mixes, and development priorities are arriving at the same conclusion: energy policy must be grounded in system reality, national interest, and technological capability.

This helps explain recent developments in the United States.

The U.S. decision in January to step away from the Intergovernmental Panel on Climate Change (IPCC) and the UN Framework Convention on Climate Change (UNFCCC) did not come out of nowhere. It was the predictable outcome of institutions drifting from their original role of informing and convening into prescriptive governance, narrowing acceptable technologies and sidelining energy security, affordability, and competitiveness.

FutureCoal has long warned that this trajectory was unsustainable.

During our U.S. roadshow in 2023, we made this case directly to policymakers and the Department of Energy across the aisle. We argued that the Paris Agreement was designed to be technology-neutral and nationally determined, and that the United States, with more than 400 years of coal resources, could reduce emissions faster by modernising its existing fleet rather than abandoning strategic assets and importing risk elsewhere.

That position was reinforced during recent engagements in Washington in March 2025 with senior officials at the Department of Energy and on Capitol Hill, including Congresswoman Carol Miller, Co-Chair of the Coal Caucus. By then, the shift was already underway. Coal was no longer being discussed as a legacy problem, but as a strategic asset, essential to grid stability, domestic manufacturing, and the rapidly rising electricity demand driven by artificial intelligence and data infrastructure.

Policy has since aligned with reality. The U.S. commitment of US$625 million to modernise and extend the life of its coal fleet reflects a deliberate recalibration: invest in efficiency, strengthen domestic assets, and deliver emissions reduction through technology and stewardship.

It is also encouraging to see the re-establishment of the National Coal Council, which we view as a vital platform for advancing practical, technology-led solutions aligned with our SCS roadmap.

In that regard, I would like to congratulate Jim Grech on his appointment as Chair of the National Coal Council. We are proud to have a FutureCoal member leading this important body and look forward to working closely with the Council to support responsible stewardship, innovation and delivery.

If the United States is rediscovering realism, China and ASEAN never abandoned it.

During the China Roadshow, I addressed the International China Coal Conference and stated plainly that a new world coal order has begun. In China, coal is treated as a strategic industrial asset, integrated into diversified energy systems alongside oil, gas, renewables and nuclear. The focus is on reliability, productivity and long-term national resilience, supported by continuous investment in technology and emissions reduction.

Across China, coal is not apologised for. It is engineered. It underpins steel, cement, chemicals, advanced materials and hydrogen production, while operating within a broader strategy of energy diversification and security. This is not ideological. It is industrial policy grounded in national interest.

I called on Chinese companies, associations and experts to engage with FutureCoal and the forthcoming China Chapter to help steer the global conversation on SCS, technology advancement and responsible development. Over the course of the Roadshow, I participated in media interviews with China Daily, China Coal News and the China National Coal Association, reinforcing the message that coal's future is not about denial, but about delivery.

That same pragmatism underpins our engagement across Southeast Asia.

In October, we renewed our Memorandum of Understanding with the ASEAN Centre for Energy in Malaysia, reaffirming our shared commitment to sustainable coal development across the ASEAN region. Since the MoU was first signed in 2017, our collaboration has produced substantive joint work on clean coal technologies and the role of coal in supporting the UN Sustainable Development Goals across the coal value chain.

ASEAN countries face a different challenge to many OECD economies. Their priority is energy access, affordability and economic growth. Coal plays a central role in meeting those objectives, and its transformation is being pursued through technology deployment, efficiency improvements and regional cooperation.

Following the MoU renewal, and ahead of President Trump's visit to the ASEAN Summit, my op-ed was published in Bernama, Malaysia's most widely read national news agency. The piece highlighted the opportunity for ASEAN and the United States to work together in redefining responsible energy leadership and accelerating coal's transformation through SCS.

That same emphasis on national context and practical delivery is now shaping our engagement with India.

On 18 December, FutureCoal formally launched its India Chapter in New Delhi, marking a significant milestone in advancing SCS in one of the world's largest coal economies. The Chapter will be led by Mr P.M. Prasad, former Chairman and Managing Director of Coal India Limited, who serves as its inaugural Chair.

The launch brought together senior leadership from across India's coal and policy ecosystem, including Shri B. Sairam, Chairman and Managing Director of Coal India Limited; Shri G. Kishan Reddy, Hon'ble Union Minister of Coal and Mines; Shri Vikram Dev Dutt, IAS, Secretary, Ministry of Coal; and Ms Rupinder Brar, IRS, Additional Secretary, Ministry of Coal. Their participation underscored the central role coal continues to play in India's development, security and industrial growth.

The establishment of the India Chapter reflects FutureCoal's commitment to working with countries on their own terms, aligned to national priorities and global realities. It also signals growing demand for credible, structured platforms that enable coal transformation. We look forward to building on this momentum and to launching additional chapters in the year ahead.

At the global forum level, the tone emerging from the G20 and COP30 further confirms the direction of travel. While language and emphasis differ across countries, there is growing acceptance that energy security, affordability and sovereignty cannot be sacrificed in pursuit of abstract targets. Technology-neutral, nationally determined pathways are returning to the centre of the global conversation.

FutureCoal welcomed this shift publicly, because it aligns directly with what we have advocated consistently. Sustainability was never meant to be pursued in isolation from economic viability and social stability. When balance is abandoned, systems fail.

This realism is now being reflected in the financial sector.

The collapse or retreat of major net-zero finance alliances, the earlier suspension of the Net Zero Asset Managers Initiative, and the quiet repositioning of major institutions all point to the same conclusion. Exclusionary frameworks have failed to deliver energy security or emissions reduction at scale. Even the United States has acknowledged this reality, committing significant funding to modernise its coal fleet in the name of energy security.

Over the past 18 months, I have engaged directly with global banks, asset managers, development finance institutions and sovereign investors. Many of these stakeholders, once cautious or distant, are now re-engaging and seeking dialogue about coal's future. The conversation is shifting from exclusion to evaluation.

This is why the *Fund Fair. Fund Equal.* campaign matters. In June, I wrote to more than 700 global financial institutions, investors and government stakeholders, calling for coal investment to be assessed on stewardship, innovation and measurable outcomes, not labels. In August, Chairman Mike Teke advanced that message as his first act as Chair, reinforcing the call for fair and equal treatment of all coal, including responsibly stewarded thermal coal, and, more broadly, of all energy resources.

That message has been reinforced through high-impact media engagement across South Africa and Asia, including Chairman Teke's Letter to the Editor in the *South China Morning Post* and interviews with leading global finance publications. When challenged by Civil Society on inaccurate claims, particularly around coal abatement, FutureCoal responded with evidence, reaffirming that coal can be sustainable and that proven technologies already exist to deliver environmental, social and economic outcomes.

This momentum is also reflected in our growing membership.

We are pleased to confirm that Eskom Holdings SOC Ltd, Africa's largest electricity producer and one of the world's largest utilities, and New Hope Group, one of Australia's most established coal producers and exporters, have joined FutureCoal. This is a significant step in uniting producers, utilities and key stakeholders across the coal value chain. It reflects a shared commitment to responsible transformation, security of supply and practical emissions reduction. An official announcement will be made in due course.

The moment we are in did not emerge by chance. It has been shaped through years of persistence, credibility and engagement. FutureCoal has helped bring reality back into the room. Now the task is to seize it.

Coal's future will not be decided by rhetoric. It will be decided by those prepared to lead with facts, invest in solutions and demonstrate responsibility at scale. That is the role FutureCoal exists to play, and it is the role we will continue to fulfil in the year ahead.

We are truly grateful for the support and leadership of our Chairman, Mike Teke, who succeeded former Chairman July Ndlovu in August. His stewardship and clarity of purpose are already strengthening FutureCoal's global engagement. We also extend our sincere thanks to the Chair of our India Chapter, P.M. Prasad, and wish him every success as he advances the chapter's work and impact.

With key moments approaching, including Mining Indaba and our February Board meeting, and with plans underway to launch additional chapters in the year ahead, these are truly exciting times for FutureCoal. We look forward to engaging with members, in person or virtually, as we continue to advance SCS together.

Michelle Manook
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