

07:54 28 Jun 2019

## Renewable power generation beat coal in April in the US, which is a harbinger of things to come

The US Energy Information Agency has confirmed that the US generated more power from renewables than it did from coal during the month of April.

While coal remains a major part of the US power mix and season factors obviously apply, there is a clear direction of travel here.

Coal has enjoyed something of a resurgence under the Presidency of Donald Trump, certainly as far as government mood music is concerned. Mr Trump cares about the voters of Pennsylvania, one of the US's largest coal producing states, and he isn't shy of saying so. He knows too how the decline in traditional US industries such as coal mining has hit working class communities the hardest. Talking to these people is a major reason why he got elected in the first place.

So, don't expect any laudatory noises from the White House about renewables going past coal.

But in the final analysis there's only so much direction from above that the market will take. True, there is a significant groundswell of agitation in regard to climate change, and in some circumstances, like congestion charging and building regulation, local US municipalities are taking a lead and legislating for change.

But it has to make sense financially too, and here's where the latest numbers from the EIA become so significant.

If the market is deeming it more viable, or at least as viable, to produce power from the renewable sources included in the EIA data, namely wind, solar, hydro and biomass, then the days of coal are surely beginning to be numbered.

After all, no investor is spending billions of dollars researching new ways of developing technologies that will run off coal.

Instead, the billions in research and development spending is going into the development of new electric batteries, new and more efficient types of solar panel, bigger and better windfarms, and so on.

This transformation in the US's energy mix will take several generations to complete. What we're seeing now is only the end of the beginning, to borrow a phrase from that half-American Winston Churchill.

But coastal USA is now broadly-speaking on board with the idea that climate change and issues around pollution will drive demand for cleaner, inexpensive fuel.

And while this may be bad news for Pennsylvania's coal miners, it won't by any means be bad news for the mining industry in general.

According to estimates from the Massachusetts Institute of Technology, a world-leader in research into electric vehicles and artificial intelligence, the metals that will be most in demand from the development of new technology will be tin, lithium, cobalt, silver and nickel. Most mining industry pundits would add copper to that list too, because although the uptick in demand for copper might not be as marked as for these other metals, its use in wiring for electric cars, and in delivering the grid power to connect them all, as well as in solar panels. A single windfarm can contain up to 15mln pounds of copper.

Now, as far as the US is concerned, while it's not a major producer of either lithium, tin or cobalt, it does produce significant amounts of copper and silver, with an additional contribution from nickel too. In 2018 US copper production amounted to 1.2mln tonnes, worth an approximate US\$8bn, while silver production rang in at around 900 tonnes, with an overall value of US\$440mln.

What's more, there is every likelihood that new cobalt production will start in Idaho before too long, while the Clayton Valley in Nevada is a hotbed of lithium exploration and development.

So while it seems unlikely that President Trump will adjust his narrative to support renewables any time soon, there are grounds for thinking that certain sections of his base may eventually end up getting with the renewables programme as the US mining industry turns its attention towards supplying the raw materials for the next generations of technology.

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Contact us +44 (0)1202 770386 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

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