

Russia Putin’s New Coal Age

With proven reserves over 190 billion tons, Russia harbors the world’s second largest coal reserves. It is the sixth largest coal producer and the world’s number three coal exporter, right after Indonesia and Australia.

Since 2000, Russia’s annual coal production has grown by 48% and is now estimated at 359 million tons annually.⁹⁰ The country’s most important production region is the Kuznetsky Basin (Kuzbass) in Siberia, where over 200 million of tons of coal were produced in 2012.⁹¹ Most of Russia’s coal exports originate here and supply either the European or the Asian market. Due to the long distances involved, transport is one of the industry’s major constraints and accounts for nearly 60% of the cost of Russia’s export coal.⁹²

Gas has long been the dominant fossil fuel in Russia’s electricity generation, while coal accounts for less than one fifth of the country’s power generation.⁹³ Under Vladimir Putin, the government, however, has big plans to increase both coal production and consumption. According to Russia’s 2012 “Coal Industry Development Program,” coal production will rise to 380 million tons in 2020 and 430 million tons in 2030. The Program envisages 26 gigawatt of additional coal-fired power capacity in order to free up more natural gas for exports. In response, the state-owned companies Inter RAO and Rosneft recently announced plans to build new coal plants in the Far East of Russia and in Russia’s western exclave, Kaliningrad. Putin’s plans also foresee an increase of coal exports. Accordingly, the capacity of the country’s coal terminal ports is to be expanded by 300%.⁹⁴ In order to better take advantage of the Asian coal markets, major new centers of coal production are planned both in Russia’s Far East and in Eastern Siberia, regions whose climate and ecosystems are especially vulnerable to environmental damage. These plans are, however, meeting resistance. In July 2013, people in the city of Khabarovsk held a protest rally against the construction of a new coal terminal by SUEK, the country’s largest coal producer. And in Primorye territory in Russia’s Far East, the region’s governor recently suspended construction of a coal terminal due to protests by local citizens. The governor issued a statement saying: “I agree with the local residents. There is no need to turn this resort into a polluted place.”⁹⁵

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The Toll of Russia’s Coal

Russia has 228 coal mining companies, with the top four - SUEK, Kuzbassrazrezugol, SDS and Mechel - accounting for over half of total production.⁹⁶ The rapid expansion of the country’s coal industry has caused serious environmental problems such as enormous dust and particle pollution, depletion of water resources, contamination of underground and surface reservoirs, and loss of agricultural lands. A special working group of the Ministry of Energy concluded that during the last 5 years, the discharges of dangerous wastes to water and air “stabilized at high levels.”⁹⁷ Both the amount of waste and the total area of affected land “continue to grow.” Mine tailings, which are full of toxins, are simply piled on site and continue to poison the environment long after mining has finished. In Russia, most former coal mines remain abandoned waste sites, and the industry seldom undertakes clean-up operations or restoration of land.⁹⁸

90 “Coal Statistics,” Webpage World Coal Association, 2013

91 “Russian Coal Producers Invest in Operations,” Vladislav Vorotnikov, Coal Age, March 2013

92 “Thermal Coal: Coal at a Crossroads,” Deutsche Bank, 2013

93 “Electricity Information 2011,” IEA

94 “Russian Coal Producers Invest in Operations,” Vladislav Vorotnikov, Coal Age, March 2013

95 “Russian Far East coal terminal halted due to environmental concern,” Russia beyond the headlines, July 29, 2013

96 “Russian Coal Producers Invest in Operations,” Vladislav Vorotnikov, Coal Age, March 2013

97 “Protocol of the meeting of special working group on environmental safety in the coal industry,” Ministry of Energy of Russia, June 13, 2013

98 “Russian Coal Industry: Environmental and Public Health Impacts and Regional Development Prospects,” Ecodefense, June 2013



Photo: RAIPON

Ritual, Kemerovo

Another environmental problem associated with the coal mining industry is methane emissions. Between 1.5 billion and 2 billion cubic meters of methane are released into the atmosphere from Russia’s underground and open cast coal mines.⁹⁹ Methane is not only one of the most potent greenhouse gases, but also a major cause of fatal accidents in Russia’s underground coal mines. The projected increase in coal production and Russia’s failure to improve safety standards will undoubtedly increase the likelihood of major accidents, such as in 2007, when 110 coal miners died in a methane blast in the Ulyanoskaya mine in Kemerovo.¹⁰⁰ As Ruben Bodanov, deputy head of the Russian Miner’s Union says: “Coal mining companies prefer to get by with cheap labor and poor safety standards. The result is that life is also cheap.”¹⁰¹

Drowning in Coal Dust

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Most of Russia’s coal is mined in the Kuznetsky Basin (Kuzbass) in the region Kemerovo. Decades of coal mining have poisoned the air and water of the Kuzbass and led to disastrous impacts for the population. The concentration of air pollutants is at minimum two to three times as high as in the rest of Russia. And according to the official report “State of the Environment in the Region Kemerovo in 2011,” drinking water in the vicinity of the mines is highly polluted. The many abandoned mines leach heavy metals into the water ways and even the soils of the region are severely contaminated, so that agricultural products contain high levels of lead, cadmium, mercury and arsenic. Accordingly, sickness and death rates have respectively risen to 19% and 20% between 1993 and 2006, and the life expectancy of citizens is much lower than in other parts of Russia.¹⁰²

Mining also takes a serious toll on the indigenous Shor and Teleut tribes as their ancestral lands and culture are being destroyed. The Shors, who live almost exclusively in Kemerovo, are surrounded by coal strip mines, which have destroyed the hunting and fishing grounds that their traditional livelihoods depend on. The waste water from the mines is channeled into the local rivers and has contaminated the drinking water. Coal dust literally covers everything. It penetrates into the houses and the people’s lungs. Veniamin Boriskin, an indigenous Shor describes the fate of his village: “The mines ignore the people of Kazas and continue to tear our land to pieces. Once a settlement of 50 houses with large families, the village has now nearly died out. At the edge, another village has emerged – the cemetery.”¹⁰³

99 “Environmental problems of mining companies in Kuzbass,” by V.V.Senkus and V.F.Mayer, 2012

100 “Trapped and Dying from Methane: Russia’s Dangerous Coal Mines,” International Business Times, February 12, 2013

101 “Mine safety – a matter of life and death,” The Moscow News, May 31, 2010

102 “Human Development Report for the Russian Federation: Energy Sector and Sustainable Development,” UNDP, 2009

103 “Coal Mining in Kemerovo Oblast, Russia,” IWGIA, September 2012