

REALISM, RESPECT & RESPONSIBILITY: an Energy and Climate Policy for All

In this declaration, the European coal industry calls on Member States, the European Commission, the European Parliament, the European Economic and Social Committee and the Energy Community to promote an “Energy and Climate Policy for All”

Realism

Energy Union rightly focuses on security of energy supply. The European Commission recently proposed an Energy Union Package, based on expanding energy interconnectors between Member States with a bet on renewable energy sources and imported gas (COM(2015) 80). However, we know that renewables need conventional thermal plants for backup. Here, coal plays a very important role – not only balancing electricity supply, but also moderating electricity prices. Coal cannot simply be replaced by gas. It is not possible for the gas industry to replace the seven billion tonnes of coal mined each year around the world, mainly for the production of electricity. Without coal, gas would be the only way to balance renewable energy sources. Without competition, electricity prices would perhaps double or triple. High electricity prices would lead to a loss of industrial competitiveness in Europe and a loss of jobs. High electricity prices would throw more Europeans into fuel poverty. These are the arguments of realism and are the reasons why coal should be welcomed as a necessary partner in our energy mix. Coal is the key to maintaining a secure and competitive energy supply in Europe.

Respect

There was a time when coal miners were respected. “Salt of the earth” described those who undertook difficult and sometimes dangerous work to produce the energy that improved the lives of millions. Few people come into direct contact with coal today. Yet the European Union relies on coal for 27% of its electricity. Together, coal miners and workers at coal-fired power plants provide some of the cheapest and most reliable electricity on the market. Instead of being credited with a job well done, they are often ignored. The Energy Union Package does not mention the words “coal and lignite” or even “solid fuels”. Why is this? We cannot simply ignore coal and hope that it will go away. Around the world, 42% of electricity comes from coal and it cannot simply be replaced by gas, nuclear or renewables, especially as demand for electricity is forecast to grow. Coal is what the Earth bequeathed to man and we must use it wisely, cleanly, efficiently and with respect. When an energy technology appears that can provide reliable electricity and can compete fairly with coal, then the market will move against coal. Until then, the coal industry deserves respect because society needs energy from coal.

Responsibility

Given that coal will be in the energy mix for many years to come, it is important that sufficient investment is made to ensure that coal is used cleanly and efficiently. The ideology promoted at the EU level is that no new investment should be made in coal because it is incompatible with agreed climate objectives. Yet these objectives have been translated into a steadily reducing emission cap under the EU Emissions Trading Scheme which provides headroom for coal. Further policy instruments should not be used to force change to an ill-defined and uncertain future. In practice, it is the responsibility of EU governments and institutions to ensure that timely investments are made in new state-of-the-art power plants, in the refurbishment of old power plants to improve efficiency, in pollution control equipment to reduce emissions, in the upgrading of district heating networks to reduce losses, in the demonstration of carbon capture and storage and in coal mines to improve productivity. Without these investments, the future of energy supply in Europe will be less clean, less competitive and with fewer jobs. For these reasons, Member States should take a proactive role to ensure the responsible use of coal.

DECLARATION

Delegates to the seminar held on 16th March 2015 in Katowice, Poland therefore call on Member States, the European Commission, the European Parliament, the European Economic and Social Committee and the Energy Community to promote an EU Energy and Climate Policy for All. In other words:

- a **realistic** policy that reflects the tremendous contribution that coal will make to EU energy supply over the coming years;
- a **respectful** policy that does not alienate a large group of workers and their families who contribute massively to society by producing the coal and electricity needed by us all; and
- a **responsible** policy that recognises the role of indigenous coal in a balanced fuel mix and reflects the need for investment in productive coal mines and high-efficiency, low-emission power plants so that our future energy supply is secure, competitive and with low environmental impact.