

11th EC-EURACOAL COAL DIALOGUE on the future role of coal in Europe and current challenges

**European power sector comments on the
LCP BREF revision**

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Emissions from the power sector

- Between 1990 and 2012, in the EU-28, emissions from the power sector were reduced by
 - SO₂: 85%
 - NO_x: 55%
 - PM 2.5: 70%
- While electricity generation increased by over 30% over the same period
- Under the LCP Directive, 115 GW of old plants closed
- Additional reductions and plants closure expected in the next 15 years because of the implementation of the climate policy and the IED
- Environment and health impact of LCPs is decreasing steadily

European vision for decarbonisation

Decarbonisation targets

Breakdown per sector

FIGURE 1 – EUROPEAN DECARBONISATION TARGETS FOR GHG EMISSION REDUCTIONS BELOW 1990 LEVELS

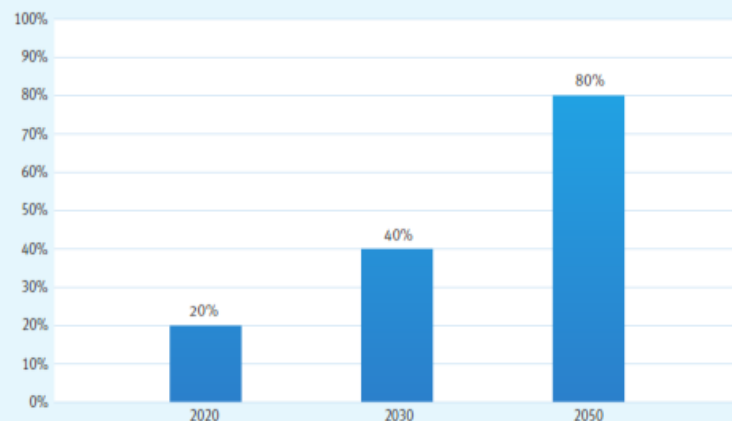
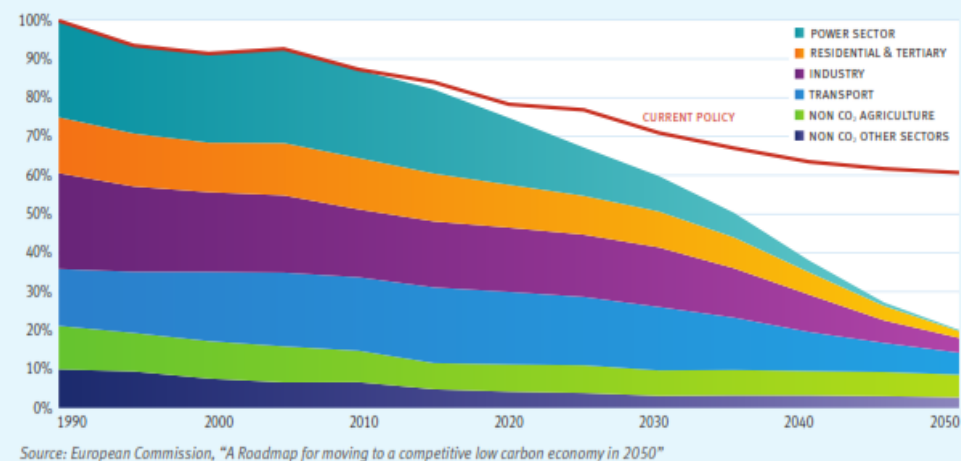
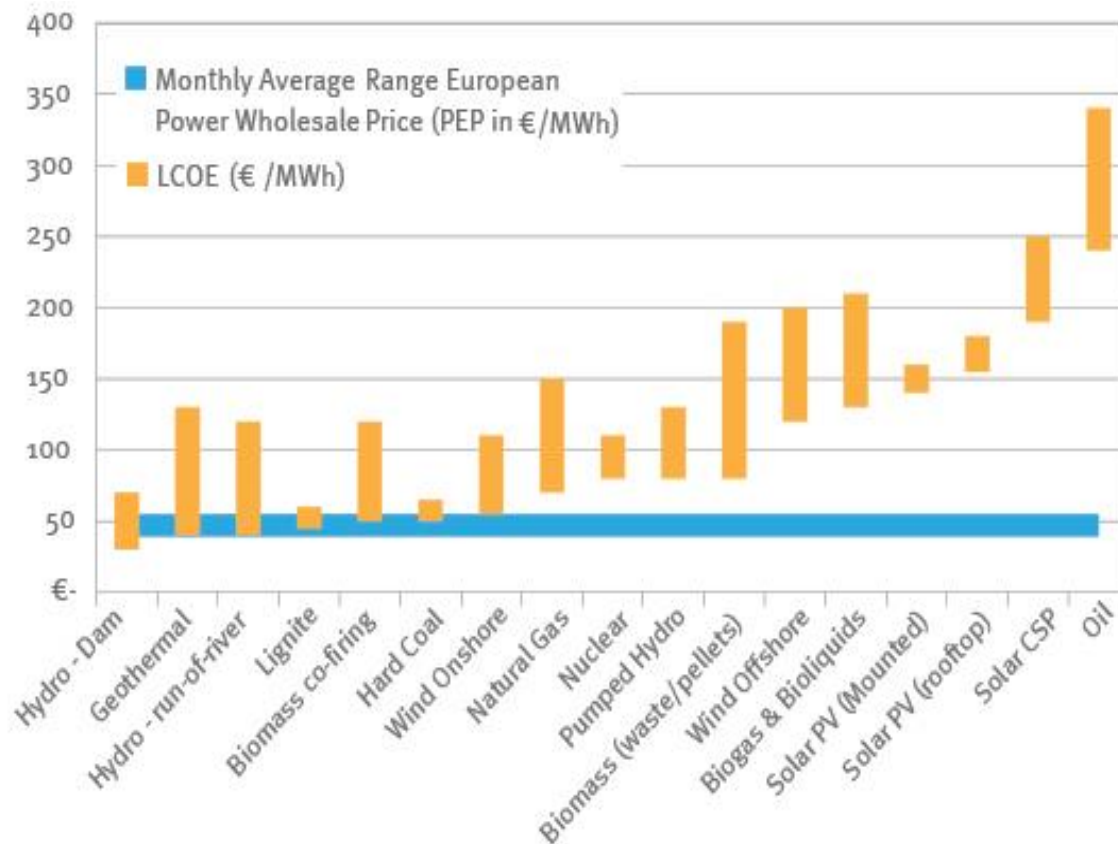


FIGURE 2 – DECARBONISATION PATH PER SECTOR



The 2030 EU targets for GHG (and RES) imply around 45% share of RES in power generation, majority of the increase coming from variable RES

Challenging business environment



- 2000-2012: 1,1 trillion euros were spent in new power generation of which 3/4 went to RES. An additional 740 GW capacity has to be built by 2035 (IEA)
- Today's price levels do not allow economically justified investment in any of the existing technologies
- Existing capacity is being mothballed/closed down – influencing the available firm and flexible capacity

Thermal generation keeps the lights on as electricity becomes increasingly CO₂ free

Thermal generation guarantees security of supply by

- providing firm and flexible capacity: thermal generation can readily be turned on or off and can flexibly adjust power output to demand
- contributing to ancillary services: inertial response, fast frequency power recovery

Future of thermal generation

- more efficient new units
- CHP in areas with sufficient demand for industrial steam or district heating & cooling
- renewable thermal generation: biomass or biogas fired plants
- more flexible units: faster start-ups and shut-downs, lower minimum generation, higher ramping rates, and more frequent changes in generation

LCP BREF must support transition

- Power sector is going through unprecedented changes
- Sector has shown its commitment to decarbonisation
- The increase in variable RES capacity is a game changer for the electricity system
- Large investments are needed to decarbonise the power system
- Current economic conditions unfavourable
- Policy coherence and cost-effectiveness are key if industry is to raise capital to invest

Are the draft LCP conclusions fit for purpose

- IED BAT conclusions are a blueprint for permitting and not an academic exercise
- Not the role of BAT conclusions to determine electricity mix
- Economic conditions in the sector not taken into consideration
- Investments have already been made to implement the IED
- Impact on security of supply and costs for customers are crucial
- EURELECTRIC supports carrying out a formal impact assessment of the proposal that will be submitted to IED article 75 Committee