

Use of State aid to moderate the social impacts of coal mine closures in Spain

12th Coal Dialogue

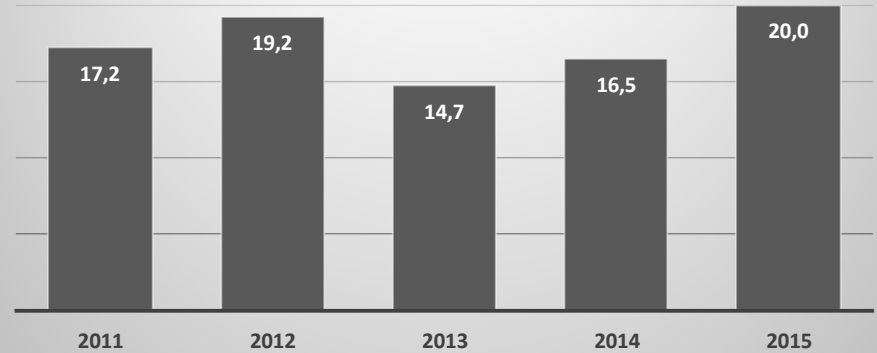
Pedro Iglesia/ Óscar Lapastora

Brussels, 10 June 2016

How has the Sector evolved between 2011 and 2015

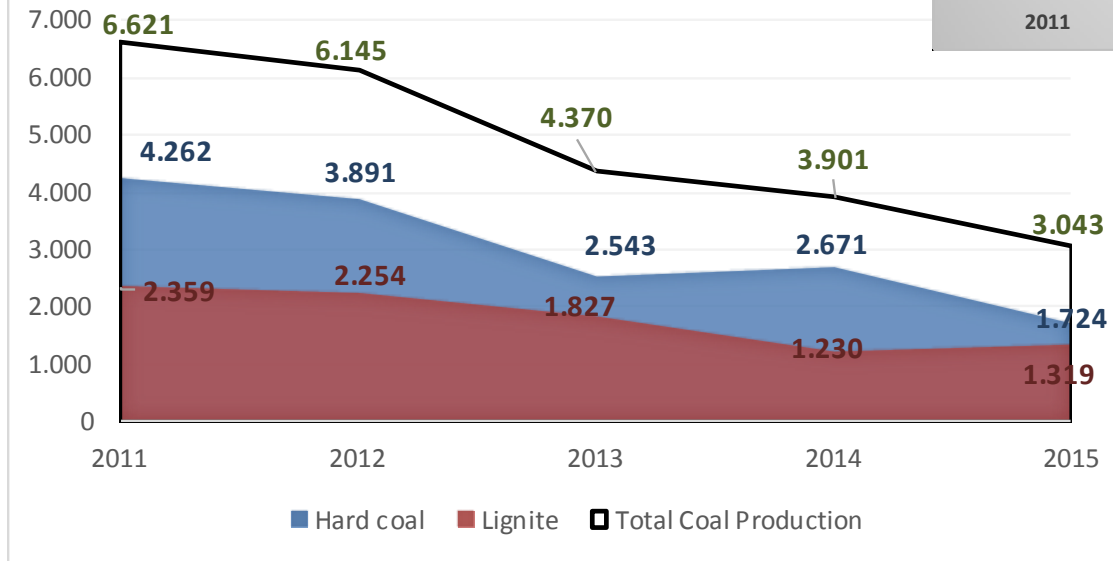
Key indicators

Coal % in electricity generation mix



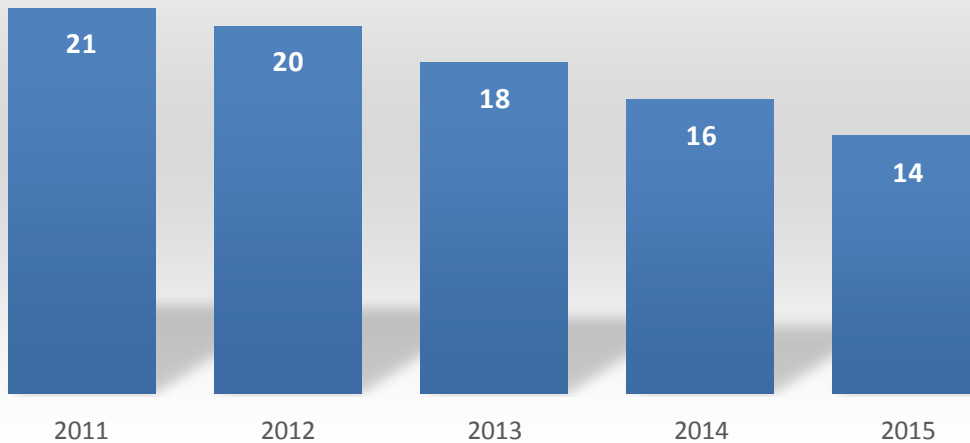
Source REE / Prepared by CARBUNIÓN

Coal Production Evolution



Key indicators

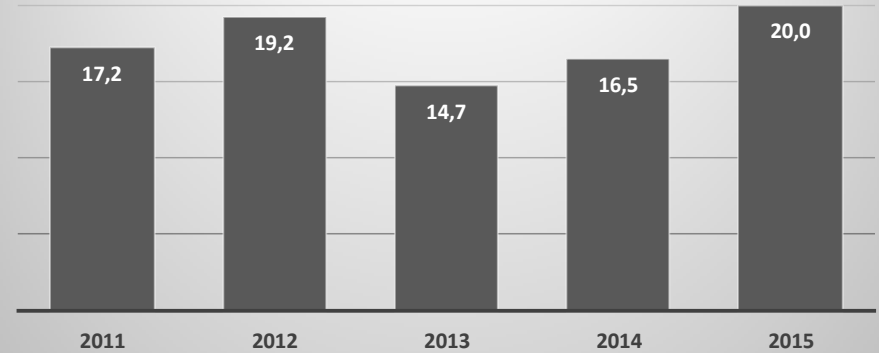
Number of companies evolution



10 June 2016

Source MINETUR / Prepared by CARBUNIÓN

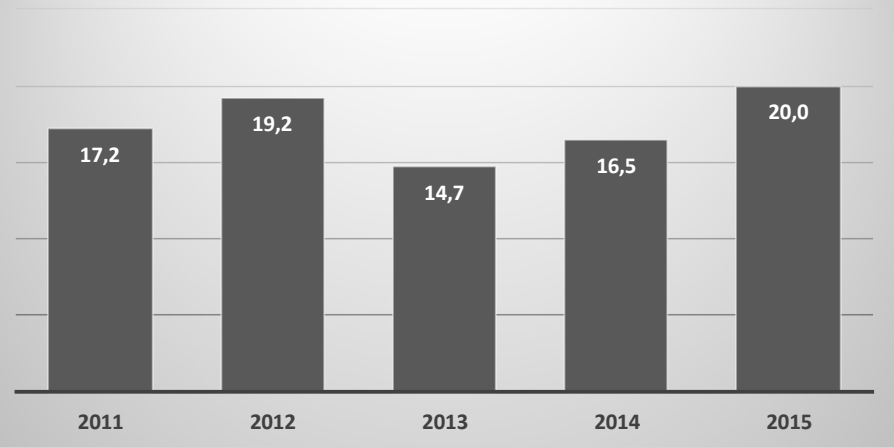
Coal % in electricity generation mix



Source REE / Prepared by CARBUNIÓN

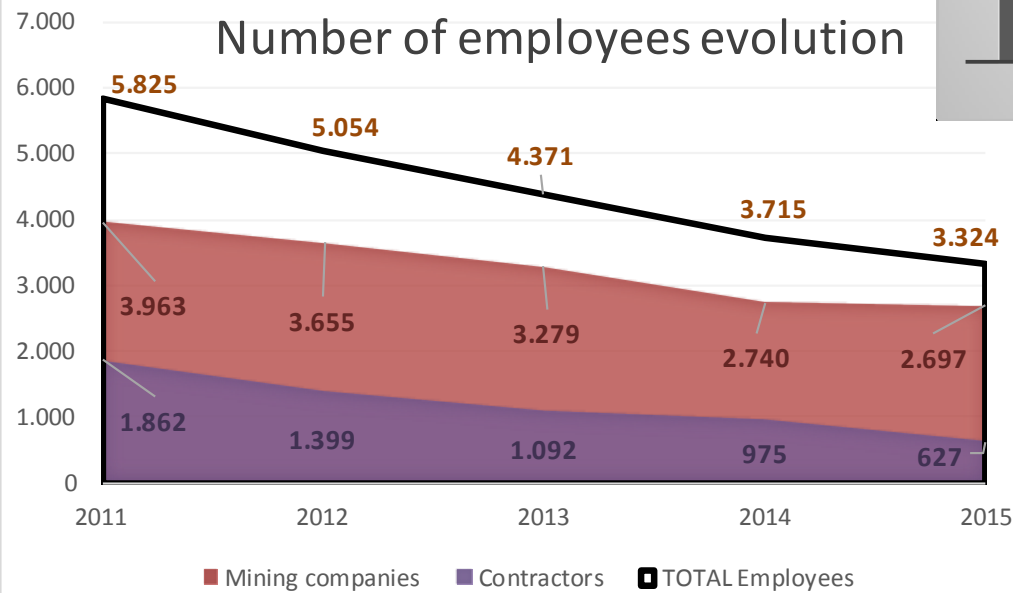
Key indicators

Coal % in electricity generation mix



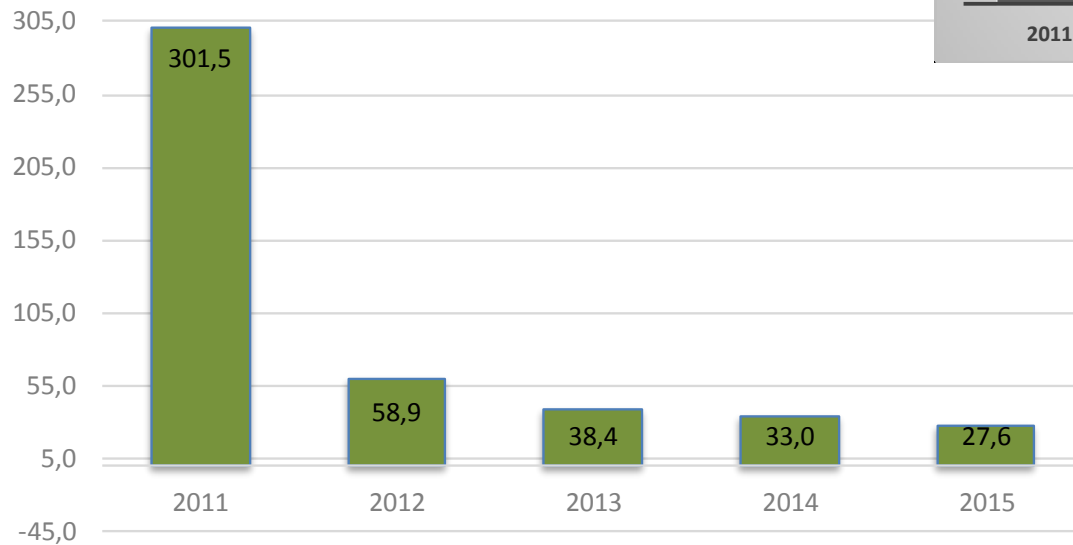
Source REE / Prepared by CARBUNIÓN

Number of employees evolution

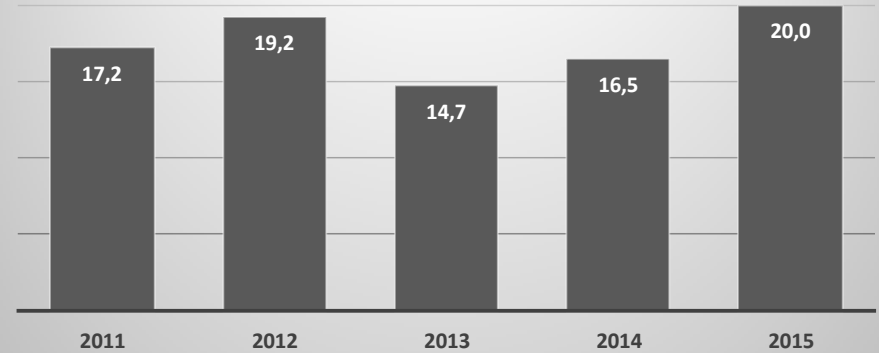


Key indicators

Subsidies paid evolution



Coal % in electricity generation mix



Source REE / Prepared by CARBUNIÓN

The Commission has found Spanish plans to grant €2.13 billion for the orderly closure of 26 uncompetitive coal mines to be in line with EU state aid rules

Brussels, 27 May 2016

Press release issued by the Commission

- In April 2016 Spain notified plans to grant public support to the operators of 26 coal mines that are due to be shut down until 2018. The aid aims to ease the closure process by covering production losses of the mines until closure. It will also provide financial support to those workers, who have lost or will lose their jobs due to the closures, by funding severance payments and social security benefits. Furthermore, it will finance the safety and remediation works necessary after the mine closures.
- The Commission concluded that the plans are in line with EU state aid rules, in particular Council Decision 2010/787/EU. This allows Member States to cover production losses and certain exceptional costs arising from the closure of uncompetitive coal mines, in order to alleviate the social and environmental impact. This requires in particular that mines receiving such aid must be wound down by the end of 2018 at the latest.
- The Spanish authorities have given a commitment to recover any aid from mines that have not been closed by that date.
- Aid to cover exceptional costs resulting from closure activities can be paid out even after the closure until 2027 and must also be based on an agreed closure plan.

Spanish plans for the orderly closure of 26 uncompetitive coal mines

- However, neither CARBUNION (Spanish Federation of Coal Producers) nor the Trade Unions know the content of the Plan notified by the Spanish Government to the EU Commission.
- Accordingly, we don't really know what are going to be the effects of the approved Plan.

Spanish plans for the orderly closure of 26 uncompetitive coal mines

- February 2012: Spanish Government initially notified to EU the closure plan which was removed three months later.
- Begin of October 2013: Sectorial Agreement signed by Spanish Government, Trade Unions and CARBUNION Employers.
- End of October 2013: A new closure plan was notified to the EU Commission by the Spanish Government.
 - Neither CARBUNION nor the Trade Unions know its content.
 - This plan was not initially approved by the EU Commission.
- May 2016: EU Commission approve Spanish closure plan, according to the press release information.
 - Neither CARBUNION nor the Trade Unions know its content.

CARBUNION has tried to obtain information about the content of the plan since 2013

- Carbunion has requested the closure plan to the Spanish Government in several official meetings.
- The Spanish Government has promised during these meetings that the plan would be submitted but never happened.
- Carbunion has requested the closure plan to the Spanish Government in several written requests.
- The Spanish Government has argued that there was not any official document we could access. All documents were drafts and working papers without public access.
- Finally in May the 5th, the Government committed to send the closure plan to Carbunion. This was the reason to accept the invitation to be here today. We have been waiting the document but It has not been received yet.

CARBUNION vs. Closure Plan

- CARBUNION has no information at all about the content of the closure plan.
- CARBUNION has no information about its timeframe and the closure calendar of the different mines.
- CARBUNION has no information about the split of the 2,13 billions of Euros.
- Apart from the subsidies paid to the mines, CARBUNION has no information about the amounts already paid to cover exceptional cost, environmental costs and social costs.
- Accordingly, we have no information about the estimated amounts to be paid for these concepts in the future and its calendar.

**CARBUNION can not conclude
about the**

***“Use of State aid to moderate the
social impacts of coal mine closures
in Spain”***

**until we have access to the content
of the plan**

Thanks for your attention

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