

Position Paper

Non paper: “Best Use of EU’s Indigenous Resources”

A. General comments

The issue of security of supply was again appropriately at the forefront of energy and climate policy discussions in the Strategic Energy Review II of November 2008. EURACOAL welcomes the initiative of the European Commission, DG Energy and Transport, to back important aspects of security of energy supply mentioned in the SER II by concrete measures and action plans, thereby contributing to their implementation and consideration.

It is generally accepted that in the next decades, coal will continue to play an important role in the energy mix both in Europe and worldwide and further contribute to a secure and affordable energy supply. The use of coal is therefore in the interest of Europe’s citizens. It is therefore logical to follow the Council Decision taken at the Summit in March 2009 and to mention measures concerning “Best Use of Indigenous Coal” in a European Commission document. EURACOAL would very much welcome it if the text developed into a European Commission Communication, thereby becoming more binding.

In EURACOAL’s opinion, the text appropriately emphasises:

- The transparency of the EU’s coal inventory
- The regulatory framework related to access to land
- Public awareness and acceptance
- Research and innovation
- The availability of a skilled workforce.

The derived measures also appear on the whole to be appropriate. EURACOAL’s detailed suggestions for additions or amendments can be found in the comments on the individual

chapters (see below).

We suggest making two further comments in the general part of the document:

- Coal is a valuable raw material for the economy. In 1952, this resulted in the creation of the European Community for Coal and Steel. Deposits, once operated, must be exploited to the largest extent possible because of their significance for the economy and for security of supply in particular, in order to actually achieve an optimum utilisation of individual coal deposits.

Justification:

This statement is important for EURACOAL because it results in consequences concerning access to resources. For example, complete exploitation of coal deposits is in most cases most easily possible, especially if adjacent mines can be operated. The above statement also leads to the conclusion that mines should not be closed prematurely because of economic or other reasons.

- Coal mines (and the extraction of raw materials generally) differ from other industrial activities;
 - The mining industry is tied to a specific location. In contrast to other industries such as the chemical and automobile industries, coal is extracted from natural deposits; coal mines therefore have to establish their installations near these deposits.
 - Coal mining is a dynamic process. This is especially true of underground exploration and extraction, during which many minor geological details - such as tectonics - are only then known / discovered. This fact often leads to amendments when operating the mine, which are however unavoidable.
 - The coal industry has successfully reduced its impact on the environment. It strives to adapt its activity to the needs of the population in the surrounding region. However, coal mining cannot remain without consequences both on nature and on the population in the neighbourhood. The population usually

accepts the need to mine coal and the resulting consequences, because the benefits for the regional economy and employment are not to be underestimated.

Justification: see below B.2.a

B. Detailed comments:

1. On “transparency of Europe’s coal inventory”

- We suggest only differentiating between coal reserves and resources.

Justification:

In paragraph 4, the term “economically proven coal reserves” is used twice. Usually, coal deposits are classified either as resource or reserve. When defining reserves, the technical and economic “extractability” is already referred to. The term “economically proven reserves” therefore seems superfluous even if for example BP, in its Annual Reports, uses these terms - albeit with a very unclear and flexible definition.

- EURACOAL welcomes the mention of “underground coal gasification” and “coal to liquids” as options for the future under “Best Use of Indigenous Coal”.

2. On “A regulatory framework related to access to land and environmental impacts”

When drawing up the list of possible measures, EURACOAL is of the opinion that a further point should be included in the list:

“implement security of energy supply, particularly the role of and access to indigenous fossil fuel resources, in all relevant impact assessments”.

Justification:

DG Environment’s proposed EU legislation has in the past often neglected consequences for the raw materials extracting industry. Especially unsettling examples were the drafts for the Water

Framework Directive (not taking into account the necessary sinking of ground water) and the Directive on Mining Waste (European waste quantities multiplied by 2.5 because of amendments to and interpretation of definitions). Similar procedures are also conceivable in the future.

In the past years, the European Commission substantially improved Impact Assessments and made them binding. In EURACOAL's opinion, it would be desirable to consider security of energy supply and possibly also impact on indigenous energy resources in Impact Assessments, i.e. early in the procedure. Conversely, DG Environment has requested and obtained the consideration of all aspects of environmental policy in energy policy proposals.

- In the passage concerning Natura 2000, we suggest the following amendment:

“It should be considered whether or not a similar initiative could be useful also with regard to coal mining activities. In particular, the concept of “imperative reasons of overriding public interest” seems unclear at present and may have led to arbitrary decisions by Competent Authorities. Furthermore, none of the Guidelines published so far recommends or describes the use of socio-economic assessment as a means of providing reasoned opinions about how to optimise public interest. It should be considered whether or not there could be merit in providing in this way an opportunity for stakeholders to make their contribution to the improvement of the Natura 2000 framework in the long run.

It should be considered whether or not there is a need ...”

Justification:

We fear that when drafting a coal-specific Guidance Document, the risks related to coal utilisation will prevail over other considerations (see current vote of the Non Energy-Extractive Industries (NEEI) Paper with DG Environment).

To examine compatibility in the sense of Art. 6, paragraph 3 of the FFH Directive, an argumentation based on an individual case is always necessary, which a Guidance Document could not replace.

If - with a negative assessment of the implications for the site according to Art. 6, paragraph 3 - an assessment according to Article 6, paragraph 4 of the FFH Directive nevertheless became necessary in individual cases, there exists in view of past decisions by authorities - and also by the European Commission - , the well justified prospect that coal production, also in the future, be recognised as imperative reason of overriding public interest. In such approval procedures, the always necessary consideration based on an individual case could also not be anticipated by a Guidance Document.

This part of the text should therefore be formulated in such a way that an imperative need to draft a Guidance Document cannot be inferred from it.