

EURACOAL Press Release

European Coal Days, European Parliament, 8-12 November 2010

Brussels (12 November 2010) – This week, at the European Parliament, hundreds gathered at the European Coal Days. Hosted by Dr. Christian Ehler MEP and organised by the European Association for Coal and Lignite (EURACOAL), this was a first for the coal industry. At the opening ceremony, Mr. Günther Oettinger, Commissioner for Energy recognised “coal’s important role in the European energy mix”, linking its future with carbon dioxide capture and storage (CCS) to achieve the deep cuts in CO₂ emissions agreed by the European Council.

At a public hearing of the Committee on Industry, Research and Energy, EURACOAL member Mr. Nigel Yaxley, representing UK coal importers, said that coal is the No. 1 fuel for electricity generation. Its use is growing faster than any other energy source, because it is the fuel of choice for electrification in developing countries, nowhere more so than in China. He predicted that coal, the most significant indigenous energy resource in Europe, will continue to be needed there for many decades to come and that the challenges it faces will be solved with the evolution of clean technologies. Committee chair, Mr. Herbert Reul MEP later questioned why more was not being done by policy makers to encourage more efficient coal-fired power plants and the substantial CO₂ savings that could be made through their replacement and modernisation.

Mr. Philip Lowe, Director-General for Energy at the European Commission told MEPs at a meeting of the Coal Round that, “the challenge to decarbonise our energy system will require a concerted effort by the EU, its Member States and industry”. Dr. Ehler agreed that this challenge was enormous, but warned against an ethnocentric approach that ignored developments in the rest of the world, notably China, India and Russia. Technological leadership, economic competitiveness and a pragmatic response on energy security were more important than populist policies that left Europe vulnerable and unable to influence the global response to the climate challenge, he said.

In thanking Dr. Ehler for his support during the Coal Days, Mr. Petr Pudil of the Czech Coal Group and President of EURACOAL concluded that, “over a quarter of a million people are proud to mine coal in the EU because citizens of the EU value our end product – an electrified economy at an affordable price”. He called for a stable policy framework with incentives for those who wish to invest in high-efficiency low-emission coal-fired power plants.

Full report, photographs and notes for editors follow below.

EURACOAL Report

European Coal Days, European Parliament, 8-12 November 2010

Brussels (12 November 2010) – This week, at the European Parliament in Brussels, hundreds of stakeholders with an interest in coal gathered at the European Coal Days. Hosted by **Dr. Christian EHLER MEP**, this was a first for the coal industry, represented by **Mr. Petr PUDIL** of the Czech Coal Group and President of the European Association for Coal and Lignite (EURACOAL).

At the opening ceremony, **Mr. Günther OETTINGER**, Commissioner for Energy referred to the EU Energy Strategy 2011-2020, adopted earlier in the day, and looked ahead to the Energy Roadmap to 2050. On coal, he recognised “its important role in the European energy mix”, linking its future with technologies to capture and store carbon dioxide (CCS technologies) to achieve the deep cuts in CO₂ emissions agreed by the European Council. He promised that the EU would maintain its leading position and push ahead with the six large CCS demonstration projects located across Europe. By removing uncertainties, he hoped that the forthcoming roadmap would encourage much-needed investments, including in commercially viable CCS from 2020. Here, he spoke of the Commission’s infrastructure package that would include CO₂ pipelines and urged Member States to adopt quickly the EU CCS Directive of 2009 and so provide a legal framework for CO₂ storage.

At a public hearing of the Committee on Industry, Research and Energy (ITRE), EURACOAL member **Mr. Nigel YAXLEY**, representing UK coal importers, said that coal is the No. 1 fuel for electricity generation. Its use is growing faster than any other energy source, because it is the fuel of choice for electrification in developing countries, nowhere more so than in China. He predicted that coal, the most significant indigenous energy resource in Europe, will continue to be needed there for many decades to come and that the challenges it faces will be solved with the evolution of clean technologies. These sentiments were echoed by **Mr. Jacek PIEKACZ**, Chairman of the Polish Clean Coal Technologies Platform and CEO of Vattenfall Poland. He warned that “without coal, the EU would face the most expensive electricity in the world”. He called on governments to adopt CCS legislation and provide support for CCS demonstration plants, such as at Belchatów in Poland. Also at the hearing, **Mr Isaac POLA**, Director General of Mines and Energy in the regional Ministry of Industry from the Principado de Asturias, saw an important role for flexible coal plants to balance Spain’s now huge wind turbine capacity (20% of total). He cited the security value of indigenous coal production as justification for maintaining coal industry state aid. **Mr. Mark JOHNSTON** of WWF disagreed, preferring to link the future of coal with climate protection and CCS, but acknowledged the need to avoid social hardship in the few mining regions that benefit from state aid.

During the Coal Days, RWE and Vattenfall hosted side events to present their coal businesses and debate with MEPs issues that affect the future of coal in Europe. **Mr. Herbert REUL MEP** and chair of the ITRE committee addressed a breakfast event where he questioned why more was not being done by policy makers to encourage more efficient coal-fired generation and the substantial CO₂ savings that could be made through the replacement and modernisation of older plants. **Dr. Johannes LAMBERTZ**, CEO of RWE Power, explored the contradictions in European energy policy in a world where CO₂ emissions had risen 38% since 1990. A mix of technologies and a mix of energy sources would, he foresaw, provide us with multiple solutions to the climate challenge. Efficient flexible coal plants, backing up intermittent renewables, would allow Europe to remain

competitive and show leadership to developing countries as they expand their coal use, he said. At a dinner debate, **Dr. Harthmuth ZEISS**, CEO of Vattenfall similarly observed that no “silver bullet” solution was available to policy makers. Engineers had a high level of confidence in CCS, but, he said, more attention needed to be given to socio-economic aspects. Allaying public fears on CO₂ storage and securing adequate financial support were crucial to move forward, he said. Dr. Zeiß concluded by observing that “society has not been adequately prepared or informed on energy and climate issues: it has been sold a post-industrial story that is not compatible with a strong Europe and this has led to NIMBYism against any new developments”. In response, **Mr. Heinz HILBRECHT**, Director, Security of Supply, Energy Markets and Networks at the Commission suggested that a “grass-roots” approach was needed to gain public acceptance and that, in fact, communities often responded objectively to the benefits of energy infrastructure projects in terms of jobs and monetary compensation. He advised the coal industry to form a coalition with the energy-intensive industries, and even with the gas industry, since CCS would be needed by them. “CCS is not just a technology for coal-fired electricity generation”, he concluded.

At the 13th Coal Round meeting with MEPs, the coal industry presented latest developments in sustainable mining practices, high-efficiency power plants and CCS, with a particular focus on the EU’s six CCS demonstration plants. **Mr. Philip LOWE**, Director-General for Energy at the European Commission reiterated points that he had made earlier at the ITRE hearing: the energy mix at national level is for Member States to decide; the challenge to decarbonise our energy system will require a concerted effort by the EU, its Member States and industry; and coal with CCS can maintain an important role in the future European energy mix. He highlighted the importance of the Energy Roadmap to 2050 since it would reflect national debates on energy in an EU-level scenario analysis – an aggregate assessment of the low-carbon energy options available to Europe. **Dr. EHLER** agreed that the challenges were enormous, but warned against an ethnocentric approach that ignored developments in the rest of the world where coal use was growing fast, notably China, India and Russia. Technological leadership, economic competitiveness and a pragmatic response on energy security were more important than populist policies that left Europe vulnerable and unable to influence the global response to the climate challenge, he said.

At the opening ceremony, where **Mr. PUDIL** had thanked Dr. Ehler and the many supporters of the Coal Days, he reflected that consumers want affordable energy, which often means coal, helpfully balancing the high cost of more sustainable renewables. Speaking on behalf of the coal industry, he called for:

- a European energy policy that recognises the role of coal and balances the three crucial elements of good energy policy: energy security, price competitiveness and environmental sustainability;
- a stable policy framework with incentives for those who wish to invest in high-efficiency low-emission coal-fired power plants; and
- politicians to lead public opinion on the need for new investments across the energy sector.

Mr. PUDIL concluded that, “over a quarter of a million people are proud to mine coal in the EU because citizens of the EU value our end product – an electrified economy at an affordable price”.



European Coal Days exhibition in the Altiero Spinelli building,
European Parliament, Brussels, 8-12 November 2010.



Mr. Günther Oettinger, European
Commissioner for Energy
addresses guests at the opening
ceremony of the European Coal
Days in the European Parliament,
Brussels, 9 November 2010.



Dr. Christian Ehler MEP welcomes
guests at the opening ceremony of
the European Coal Days in the
European Parliament,
Brussels, 9 November 2010.



Mr. Petr Pudil of the Czech Coal
Group and President of
EURACOAL speaks at the
European Coal Days in the
European Parliament,
Brussels, 9 November 2010.



Students visit the
European Coal Days exhibition in
the European Parliament,
Brussels, 10 November 2010.



Students visit the
European Coal Days exhibition in
the European Parliament,
Brussels, 10 November 2010.



A display of coal at the European
Coal Days exhibition in the
European Parliament,
Brussels, 8-12 November 2010.

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Notes for editors:

- Coal meets over one quarter of world energy demand (27%), second only to crude oil (33%).
- The EU consumes around 720 million tonnes of coal each year, 11% of the world total of 6 800 million tonnes. China is the largest consumer (3 100 million tonnes) followed by the USA (920 million tonnes).
- 28% of the EU electricity demand is met by coal, compared with 41% globally.
- Indigenous coal production of 560 million tonnes brings security of supply benefits and added value to the EU economy. The vast majority of EU coal production is fully competitive. State aid totalling an estimated €1.7 billion will be paid in 2010 to cover production costs at mines producing less than 25 million tonnes of coal that is currently uncompetitive.
- 280 000 people are directly employed in the EU coal industry.
- EU directives ensure that some of the world's cleanest and most efficient coal-fired power plants are found in European countries. For example, the Nordjyllandsværket power plant in Denmark where half of the country's electricity comes from coal, all imported from a competitive global market.
- Investing in new coal-fired power plants, up to 30% more efficient than many existing plants, reduces CO₂ emissions at a much lower cost and with greater certainty than any alternative.
- Planning for a low-emission future means that new coal- and gas-fired power plants must be built with enough space for CO₂ capture to be retrofitted and a potential route to CO₂ storage identified.
- At a European Council meeting on 14 October 2010, environment ministers reaffirmed the EU's offer to move to a 30% reduction of GHGs by 2020 compared to 1990, provided that other developed countries commit themselves to comparable reductions and that more advanced developing countries contribute adequately. Ministers also reaffirmed the EU objective to reduce emissions by 80-95% by 2050 compared to 1990 levels, as called for by the IPCC.
- The Coal Round in the European Parliament is a non-party political grouping of MEPs with an interest in coal.

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