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

Hans ten Berge
Secretary General, EURELECTRIC
Emissions from the power sector

- Between 1990 and 2012, in the EU-28, emissions from the power sector were reduced by
  - SO₂: 85%
  - NOx: 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
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 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

Thermal generation keeps the lights on as electricity becomes increasingly $\text{CO}_2$ free
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