

Eröffnung der European Coal Days 2010

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The future of coal within the European Energy Mix

Dear ladies and gentlemen,

Members of various town- and city councils, the European Parliament, from different industry sectors and from science have found their way to the European Parliament.

I am pleased to welcome so many of you here today in the premises of the European Parliament to celebrate together the opening of the European Coal Days 2010.

I am especially honoured to welcome tonight the Commissioner for Energy, Mr Günther Oettinger.

Furthermore I am very happy to welcome Mr Petr Pudil, President of the European Association for Coal and Lignite.

One year of extensive planning lies behind us! The initial idea was to present the European coal and lignite industry in the European Parliament.

Bringing together decision takers from politics, science and the industry in order to discuss in a constructive and critical way the sustainability of coal as an indigenous energy source, its role for a safe and secure energy supply, as well as a promoter for technologies to meet Europe's ambitious CO₂ reduction targets is the goal we have reached today!

Ladies and gentlemen,

The subject energy is, and will remain one of the main focal points within European policies.

The European energy sector is the engine of our economy and one of its major investors. It provides quality jobs and has by international means a leading technological standard.

But its overall goal remains to ensure safe, secure, sustainable and affordable energy for all.

The challenges of global energy security and energy geopolitics, the urge to recover on growth and jobs in the European Union and the need to invest in tomorrow's energy networks call therefore for a balanced and intelligent Energy Strategy to deliver the mentioned objectives.

A secure, competitive and environmentally responsible energy supply is the prerequisite for Europe's economic success and the social stability within its Member States.

And it is especially in this field where the European Union faces major challenges, of which I just would like to name the most important ones:

The finite nature and instability of fossil fuel supply, at the same time a growing demand, political instabilities within the supplying world regions, as well as the impacts of a changing climate.

Internationally, a growing world population and new rising economic powers create an increasing demand for limited fossil fuel resources. China is becoming the world's largest energy importer.

Russia's president Medwedew has only recently announced to base the countries future energy production on coal! With this decision Russia has changed from a net coal-exporter to a net coal-importer!

And even major energy producers such as Iran and Indonesia begin to import coal to cope with a growing domestic energy demand.

Worldwide a coal-renaissance is evident! Coal has again become the motor for emerging markets like India, Brazil and China on their run towards growth and prosperity!

The European Union has no choice but to ensure that the decisions taken in regard to its future energy mix take these circumstances into account.

Looking at Europe with its highly industrialised economy, a secure supply of energy resources remains one of the key priorities in regard to our future as a global player.

The current level of volatility does not only damage economic stability as a whole. It is also detrimental for energy project planning and investments, particularly since gas prices remain linked to oil prices in most continental long-term gas contracts, further undermining the stability of future supplies.

These developments underline the need for a fresh look at our indigenous energy sources and the role they can play in the security of our energy supplies.

Technological progress has made it possible to use Europe's indigenous resources in a sustainable and economic manner. Highly efficient and thus climate-friendly fossil energy together with renewable energy sources form according to our vision the future European energy mix.

With coal we have a widely available domestic fossil fuel allowing the European Union to be prepared for these challenges!

Dear ladies and gentlemen,

Please allow me to present to you some fact in regard to coal:
The European Union is the largest consumer of coal behind China and the US.

In 2009 the coal consumption exceeded 260 Mio. Tonnes and represented 18% of EU's primary energy consumption.

29% of power generation in the European Union is based on coal.

Coal consumption and coal production will continue to grow as dynamically as the current requirement.

Although being the 3rd largest coal consuming region in the world, on average more than half of the shares consumed in the European Union are covered by indigenous production.

The rest is available on world markets from geographically stable countries.

Here the coal sector differs considerably from the oil and gas sectors, which both rely heavily on imports with resulting price and supply risks.

Many of us might still recall the gas disruption between Russia and Ukraine in January 2009.

It affected 12 Member States and was only resolved by joint European action.

And my I recall here where the Energy for the joint European Action came from? It was coal fired power plants that secured Europe's energy security in this very moment!

Ladies and gentlemen, but please let me reassure you. Estimates assume that the statistical range of hard coal is 130 years, and of lignite 286 years.

But the aspect of security of supply is not the only important one regarding the discussion about the role of coal within a future European Energy mix.

Please allow me at this point to give you a short overview over the employment and regional economic importance of coal:

Coal companies invest considerable amounts of capital that remain in these regions.

They are at the origin of long added value chains and create spill over effects for a variety of other economic sectors, from building tunnels to train engines.

In regard to the employment in the coal sector, a total of 280.000 persons were employed by the European Coal Industry by the end of 2008.

If we take into account that for each person employed directly by the coal industry another indirect job is created, we come to the conclusion that a good 500.000 jobs in the European Union depend on indigenous coal.

Furthermore coal-fired power plants are often a strong incentive for energy-intensive industries to settle in the vicinity.

Coal as a raw material is not only used for power generation, but also for the production of steel, plaster and in the chemical industry.

Regions where the carbon chemistry is domiciled are still heavily dependant on oil. With coal as a basic material these regions would profit from a much higher planning reliability.

And what might sound paradox is the hard reality!

Coal is an important motor partly responsible for Europe's renewable energy boom!

Lobbyists from the renewable energy sector that have been fighting against coal throughout the past years are gradually changing their minds. Why?

Because wind and solar power, on which the boom in renewables is dependant, are volatile and intermittent, and therefore back up options are needed.

Here gas fired power plants are always mentioned as a possible option since they can be switched on and off faster than coal fired power plants, can run on a lower capacity and are environmentally friendlier.

However, the advantages of gas fired power plants are far from being absolute:

- The new generation of coal fired power plants have become nearly as flexible as gas fired power plants when it comes to switching on and off.
- Although gas fired power plants are still more environmentally friendly and slightly more flexible, the question needs to be asked whether the EU as an industrial economy can place all her fortune in such a geopoliticised energy source?

The renewable energy revolution in Europe is strongly dependant on reliable back up options and only coal is able to give the certainty Europe needs!

But let us also be self critical.

The biggest problem of coal still remains the carbon and environmental footprint.

However important efforts have been made to develop clean coal technologies that reduce the amount of released CO₂ significantly.

Currently power plants are being tested that will decrease their CO₂ emissions by roughly 30%.

Especially with CCS a technology is available, that if it proves to be safe, will be used to combat in a highly efficient way CO₂ emissions from coal fired power plants.

And it's mainly this sector that creates a whole range of new possibilities for our European industries.

Developing further strategies to support reducing emissions will help the European Union to gain early competitive knowledge of CCS and other similar

technologies, thus laying the foundations for substantial economic growth in the concerned industrial sectors.

In its "Technological Roadmap Carbon Capture and Storage" the IEA assumes, that there will be over 3.000 CCS projects by 2050.

With China and India sharing 54,7% of the world coal consumption, a broad business market for CCS- know lies in front of us.

But only if Europe manages today to become the world leader in this specialized technological field.

This position as a market leader is heavily dependant on an indigenou coal production where technologies can be applied without having to enter into technology-sharing agreements.

And not only is the energy sector dependant on CCS.

I have already mentioned the steel, plaster and chemical industry.

As major emitters of CO₂ they will soon face similar problems the energy industries are facing already today. And the answer to their problems will be in the short and medium term CCS or similar technologies

Ladies and Gentlemen,

Coal is in a good competitive position for power generation in Europe and features high on the security of supply scale.

The upcoming days will certainly give us the chance to discuss further the role of coal within a future European Energy mix.

Let us use them for a fruitful and constructive discussion!

Thank you very much!