

## *The President*

Mr. Donald Tusk  
President  
European Council  
Rue de la Loi 175  
B-1048 Bruxelles

15 February 2016

Dear President Tusk,

### ***COP21 and EU climate targets***

The Energy Union vision that you presented in April 2014 recognised the role of sustainable coal use. You wrote in the FT that Europe should make full use of the fossil fuels available, including coal and shale gas, and that, for a cleaner planet, we must have safe access to energy resources and jobs to finance it.

With technological progress, the exploitation of coal has become ever cleaner and ever-more efficient. In Japan, the 600 MW Isogo power plant in the city of Yokohama is spotlessly clean. It provides affordable and reliable electricity, 24/7 to half the city's 3.7 million people. In Europe, we can be proud of our state-of-the-art coal power plants, for example: the 460 MW Łagisza CFBC in Poland, the 2,200 MW Neurath BoA 2 & 3 and the 750 MW Walsum 10 in Germany, the 300 MW Puertollano IGCC in Spain, the 2,000 MW Torrealvaldliga Nord in Italy, the 1,600 MW Eemshaven plant in the Netherlands and the 800 MW Avedøre in Denmark being the world's most efficient heat and power plant, now fuelled with coal, oil, gas and biomass.

And yet, international financial institutions (IFIs) have decided that lending to coal-fired power projects is incompatible with climate targets, unless plants are fitted with carbon capture and storage (CCS) or are CCS-ready. Some commercial banks such as ING have followed suit. In 2008, CCS was described by the then IEA Executive Director as the "litmus test" of commitment to climate. Governments have so far not shown that commitment to climate and some European governments have even effectively outlawed CO<sub>2</sub> storage. Without CCS, untenable and unrealistic demands may be placed on other low-emission technology options and the overall cost of meeting climate targets might rise by 40% or more (IEA, 2015a).

At COP21, the Paris Agreement gave us legally binding obligations on a stocktaking process and on transparency rules, but not on targets, other than the nebulous "well below 2 °C" limit and "pursuing efforts to limit the temperature increase to 1.5 °C". Under its optimistic New Policies Scenario which assumes the EU continues with its ambitious climate targets, the IEA forecasts that global CO<sub>2</sub> emissions from fossil fuel use will continue to rise to 2030 (IEA, 2015b). Overall, with *all* the major COP21 pledges (INDCs), global greenhouse gas (GHG) emissions would *increase* from 2010 by 6.9 GtCO<sub>2</sub>-eq to 56 GtCO<sub>2</sub>-eq by 2030 (PBL, 2015). The EU's 2030 target, if reached, would *reduce* the Union's GHG emissions by 1.3 GtCO<sub>2</sub>-eq from 2012 to just 6% of the global total: and yet, global emissions still rise and the planet is not saved.

Under the EU 2030 climate framework proposal, CO<sub>2</sub> emissions from the sectors covered by the EU ETS would have to reduce to zero by 2058. The stark reality of this proposal is that Europe would be devoid of all energy-intensive industries and perhaps have little left in the way of manufacturing industry, because all industry needs competitive and reliable energy. Jobs and emissions would be outsourced to every other region of the world.

On 17/18 March, you will meet in Council and decide whether to pursue the Commission's proposed 40% GHG reduction target for 2030, perhaps by QMV. Given that no other region proposes legally binding commitments except the EU (Article 4.18 of the Paris Agreement), given that global GHG emissions are rising with global economic development and given that the de-industrialisation of Europe would be a sign of weakness, EURACOAL calls on you to reject this target and to adopt a less ambitious target that can deliver more for Europe, as described in our attached paper.

A less ambitious climate target, achieved by making efficiency improvements across the whole economy, could put Europe on a better path. To achieve that, the scope of the EU ETS should be widened: it matters not where a molecule of CO<sub>2</sub> comes from, so the inclusion of transport and many other sectors in the ETS would help achieve the EU's ambitious climate targets, spread the load more evenly and avoid destroying the industrial base upon which Europe's wealth depends.

You should capitalise on Europe's strengths: place your trust in competitive research, embrace evolutionary innovation, shun the revolutionary prophets, strengthen social welfare, enable the free market to deliver competitive industries and, above all, concentrate on the basic wealth creation that voters crave. Fossil fuels will be overtaken by better energy sources once these offer clear socio-economic benefits.

Yours sincerely,

Dr. Wolfgang CIESLIK  
President

Mr. Janusz OLSZOWSKI  
Vice President

cc. EU heads of state (with translations)  
European Commission Vice-President Šefčovič and Commissioner Arias Cañete  
EURACOAL members and website

enc. "Why less climate ambition would deliver more for the EU", EURACOAL, Brussels,  
October 2014

## References

IEA (2015a). *Carbon Capture and Storage: the solution for deep emissions reductions*. International Energy Agency, OECD, Paris.

IEA (2015b). *World Energy Outlook*. International Energy Agency, OECD, Paris.

PBL (2015). *PBL Climate Pledge INDC tool*. Version: 3 September 2015. PBL Netherlands Environmental Assessment Agency, The Hague.