

European coal association on the Road from Paris

Bucharest (20 June 2016) – Executives from the European coal industry met today at the annual meeting of the European Association for Coal and Lignite (EURACOAL) to discuss the industry’s strategic direction against the backdrop of the UNFCCC Paris Agreement of December 2015 and the EU’s related commitment to a 40% reduction in greenhouse gas emissions by 2030.

Prior to the meeting, EURACOAL President, Dr. Wolfgang CIESLIK, met with Corina Georgeta POPESCU, Secretary of State at the Romanian Ministry of Energy, to discuss the current difficult situation in the European coal and lignite industry.

EURACOAL members, including coal and lignite producers, coal importers and major coal users from eighteen countries, face an unprecedented, six-year long market downturn – reflecting a global crisis. The coal market is oversupplied and prices have slumped to levels not seen since 2003. Moreover, privileged feed-in tariffs for renewable energies have caused a collapse of wholesale electricity prices in the EU. Wholesale prices no longer cover the cost of any type of generation. Only those operating in regulated markets can contemplate investing for the future.

The European Commission’s “Road from Paris” communication on signing the Paris Agreement states that the, “EU’s commitment to a clean energy transition is irreversible and non-negotiable” (COM(2016) 110). Given this categorical political direction, coupled with a depressed market, the coal industry cannot survive in its current shape. In the end, there has to be again a fully functional market design which gives coal a profitable setting to run the necessary existing power plants and gives an opportunity for the new investments that will be needed to ensure continued grid stability. If not, then 300 000 jobs are at stake: men and women who work hard to provide 26% of all the EU’s electricity, whatever the weather.

The industry proposes to the European Commission three measures in response to the crisis:

1. Allow the EU Emission Trading System to function as intended and hence reduce the Union’s carbon emissions at the lowest cost to society.
2. Review the 31 December 2018 deadline on State aid to the coal industry (Council Decision 2010/787/EU) so that Member States who did not yet submit a restructuring plan themselves can determine how best to manage the different decline rates of their own indigenous coal production.
3. Respond to the opinion of the European Economic and Social Committee (CCMI/138) by developing a “Transition Support Plan for the Communities and Regions Dependent on Coal Production”. This plan should ensure that coal mining regions can really benefit from the irreversible and non-negotiable clean energy transition.



D-na. Corina POPESCU (left), Secretary of State at the Romanian Ministry of Energy, with EURACOAL President, Dr. Wolfgang CIESLIK (right), at the General Assembly meeting of the European Association for Coal and Lignite, hosted by the Mining Employers’ Association of Romania (PATROMIN – Asociația Patronală Minieră din România), Bucharest, 20 June 2016.

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With coal, the EU's energy transition will be more affordable and more secure. Without coal, the EU risks its competitive position in a world that is not turning away from coal. For example, Japan is currently constructing or planning forty new coal-fired power plants, including two state-of-the-art units at the Kobe Steel Works near Kyoto.

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Biographical notes:

Corina Georgeta POPESCU is Secretary of State at the Ministry of Energy. With extensive experience in the energy sector, she led the Operations Department of Electrica, the most important player in the field of power distribution, supply and other energy-related services in Romania. She formerly managed the Bucharest Branch of OMV Trading GmbH and co-ordinated the Power Assets Department of OMV Petrom. Ms. Popescu was also Manager of Energy Market Regulation and Supervision for E.ON Romania and Head of Electricity Purchasing for E.ON Moldova.

She participates in the International Council on Large Electric Systems (CIGRÉ), the Association of Electricity Suppliers in Romania (AFEER) and the Romanian National Committee of the World Energy Council (CNR-CME). Corina Georgeta Popescu graduated from the Faculty of Energy at the Bucharest Polytechnic University and obtained a post-graduate management qualification from The Open University.

Dr. Wolfgang CIESLIK is President of EURACOAL. Born in 1952 in Bornheim, he studied fuel engineering at RWTH (Rheinish-Westphalian University of Technology) in Aachen. After his doctorate, he began his professional career at Ruhkohle AG, taking many positions there and rising to chairman of the management board in charge of distribution and marketing of all coal production. Currently, Dr. Cieslik is a board member at the German utility company STEAG GmbH and the current Chairman of the Coal Importers' Association (VDKi) – a EURACOAL member. STEAG is an international company operating nine coal-fired power plants in Germany and further ones in Turkey, Colombia and the Philippines. Dr. Cieslik is responsible for all the company's generation assets.

Note for editors:

The EU accounts for a little over 10% of global greenhouse gas emissions.

The European Association for Coal and Lignite aisbl (EURACOAL) represents the interests of coal producers, coal importers and coal users in Brussels. The Association has thirty-three members from eighteen countries. The Association also publishes regular coal market reports and *Coal industry across Europe*, a detailed review of the European coal industry with sections on the world coal market and climate policy (www.euracoal.eu).

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