EURACOAL

European Association
for Coal and Lignite



Coal sector outlook under the European Green Deal

a view from EURACOAL

13 July 2021
IV International Coal Conference, Kyiv

Brian Ricketts
Secretary General

EURACOAL: 24 members and observers from 14 countries

- DEBRIV – Deutsche Braunkohlen-Industrie-Verein (DEU)
- ZSDNP – Czech Confederation of Coal and Oil Producers (CZE)
- PPC – Public Power Corporation (GRC)
- PGG – Polska Grupa Górnicza S.A. (POL)
- PPWB – Confederation of Polish Lignite Producers (POL)
- GIPH – Górnicza Izba Przemysłowo-Handlowa (POL)
- PATROMIN – Asociaţia Patronală Minieră din Romania (ROU)
- BAZ – Borsod-Abaúj-Zemplén County Government (HUN)
- MMI – Mini Maritza Istok (BGR) – observer
- GIG – Central Mining Research Institute (POL)
- CPERI/CERTH – Chemical Process and Energy Resources Institute (GRC)
- BSN – Branchenverband Steinkohle und Nachbergbau (DEU)
- DTEK (UKR)
- Donetsksteel (UKR)
- Lubelski Węgiel „Bogdanka” S.A. (POL)
- Premogovnik Velenje, d.o.o. (SVN)
- HBP – Hornonitrianske bane Prievidza, a.s. (SVK)
- EPS – Electric Power Industry of Serbia (SRB)
- TKI – Turkish Coal Enterprises (TUR) – observer
- RMU “Banovići” d.d. (BIH)
- KOMAG Institute of Mining Technology (POL)
- Geocontrol S.A. (ESP)
- Subterra Ingeniería S.L. (ESP)
- DMT GmbH & Co. KG (DEU)



Coal in Europe 2020

lignite production, hard coal production & imports

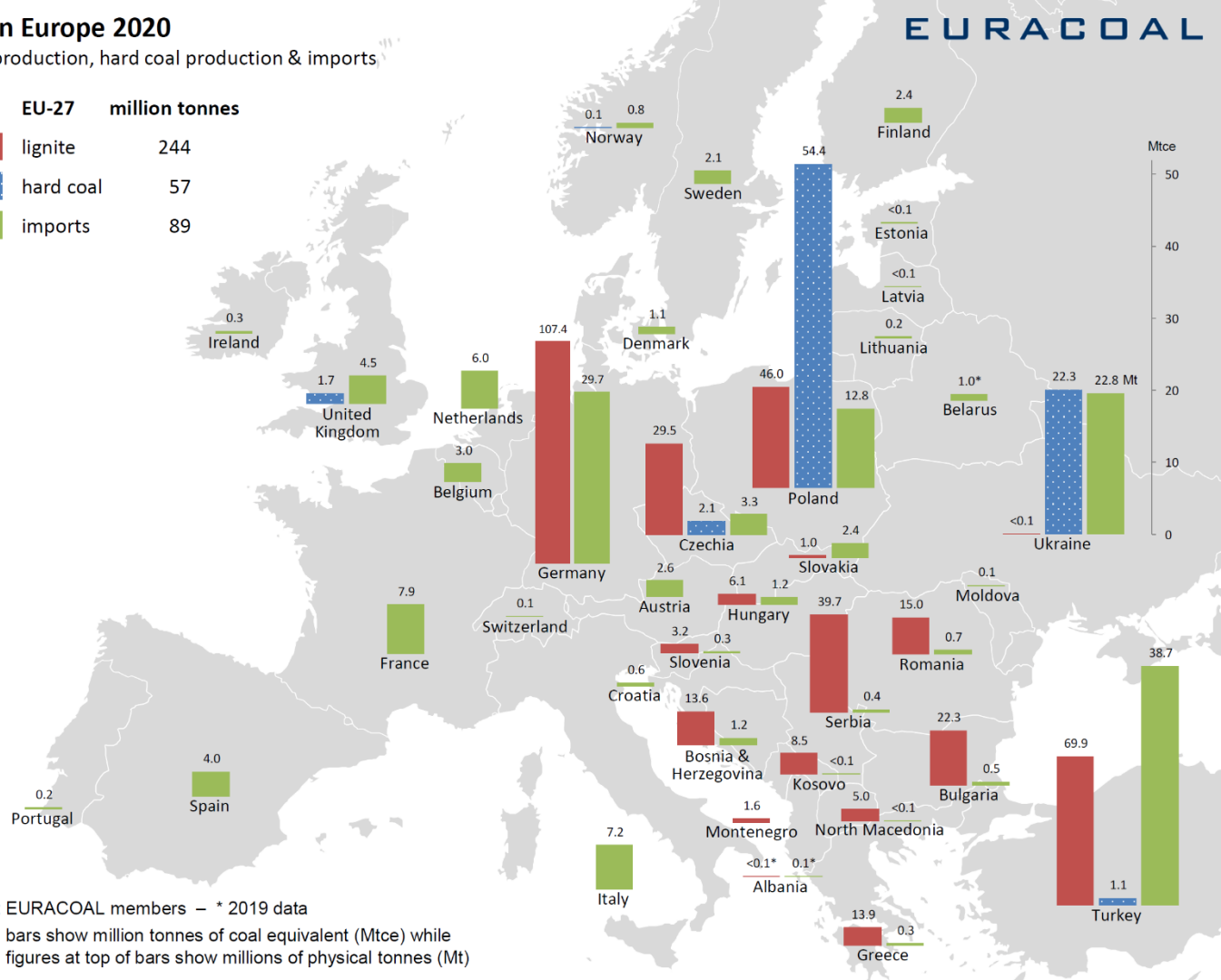
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EU-27	million tonnes
lignite	244
hard coal	57
imports	89

production −19 %

imports −30 %

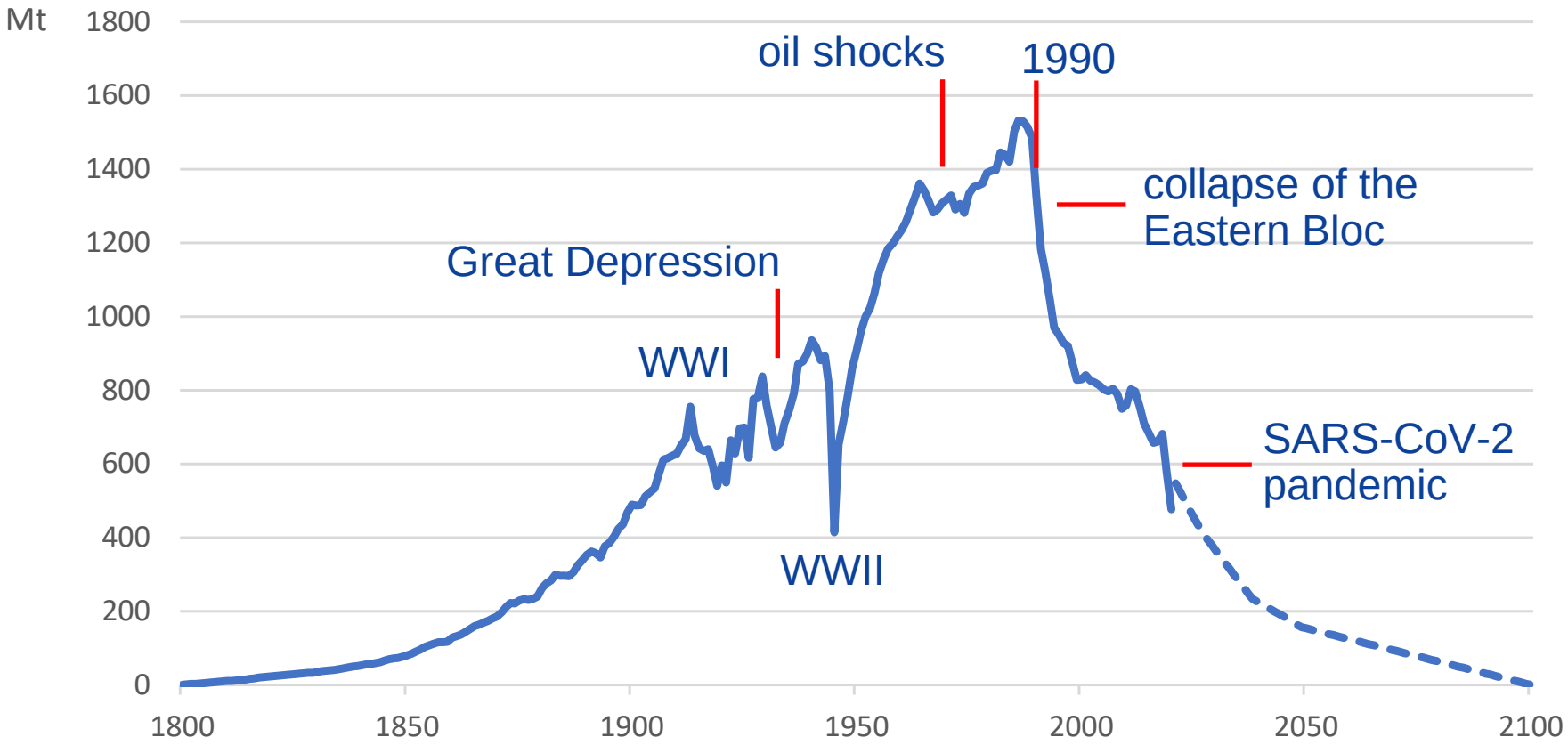
supply −22 %



Source: EURACOAL members – * 2019 data

Note: bars show million tonnes of coal equivalent (Mtce) while figures at top of bars show millions of physical tonnes (Mt)

European coal production 1800-2020 and forecast to 2100



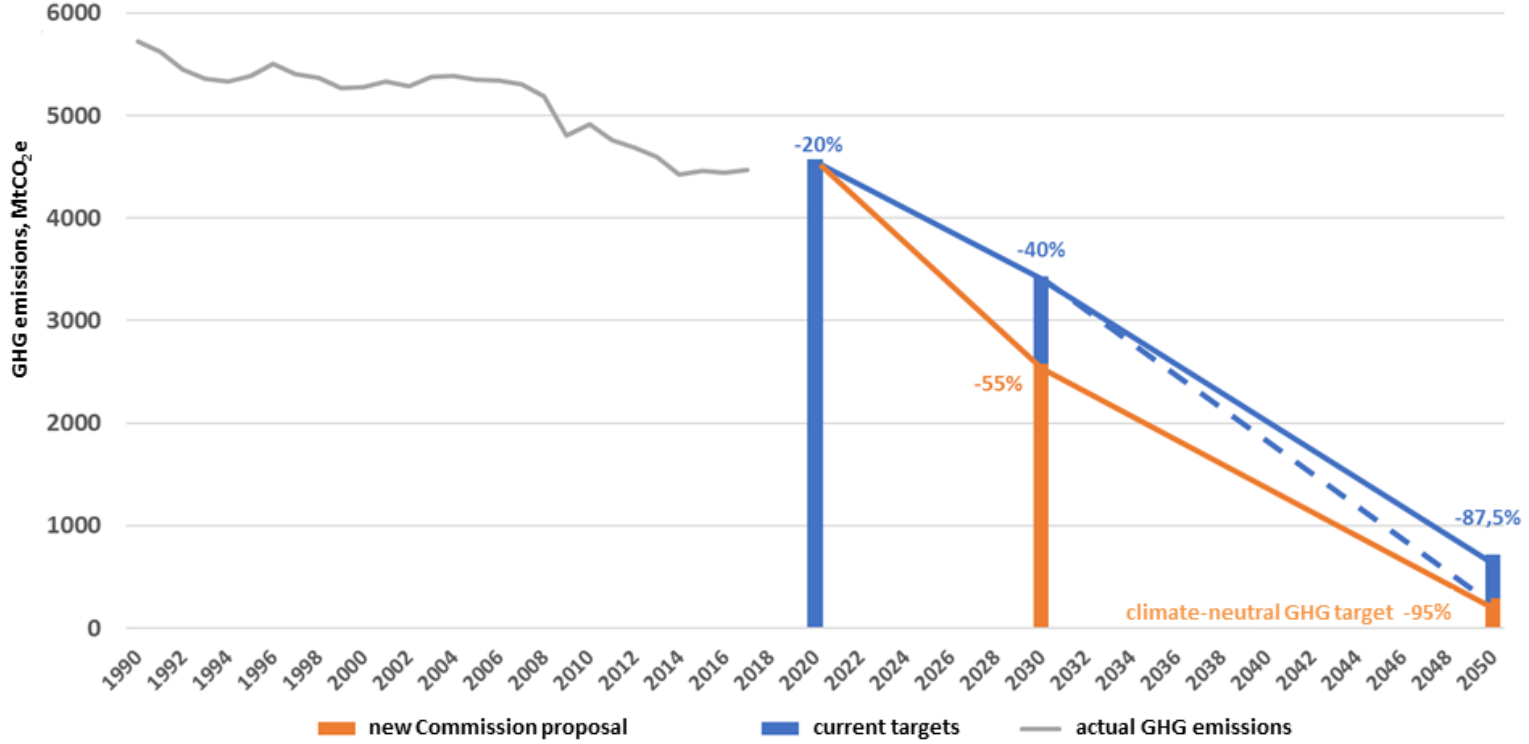
N.b. includes production in the EU, Turkey, Ukraine and Western Balkans

EURACOAL and the Paris Agreement

- Since 1990, coal-related CO_2 emissions have decreased by over 70%.
- Successful climate policy must be globally co-ordinated.
- Security of supply must be guaranteed during the transformation.
- Member States' energy choices must be respected.
- Meeting the Paris Agreement targets will have very different impacts on different Member States.

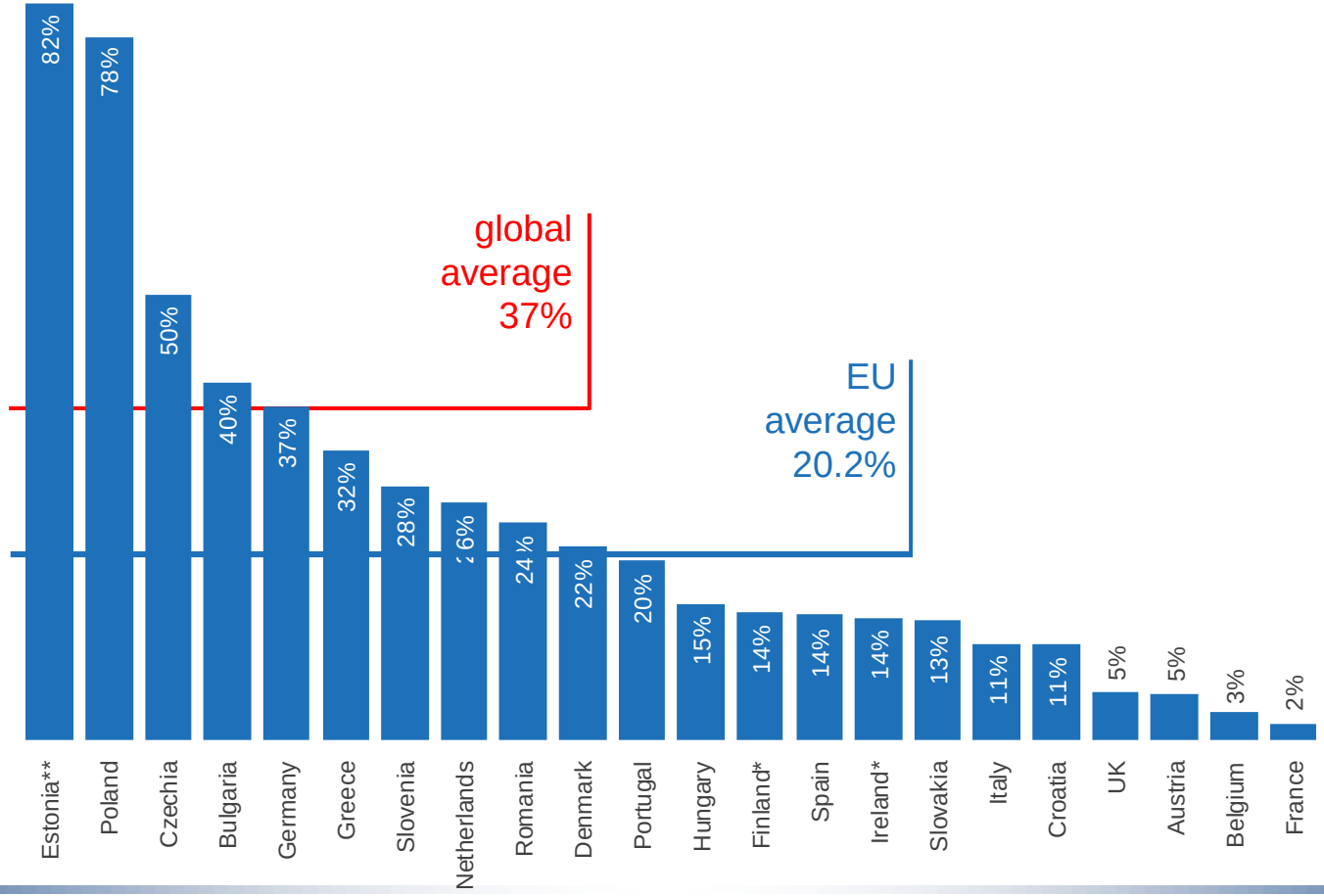
Coal-intensive regions need adequate compensation, including to those companies who must restructure and transition to new activities.

EU climate targets 2030 & 2050: 70% less coal in 2030 *c.f.* 2015



GHG emission reduction over the 10 years from now to 2030 has to be much faster (*c*.3×) than the reduction over the 30 years 1990-2020.

Coal in EU electricity generation, 2018



Source: Eurostat database nrg_bal_peh, last update 21.03.2019 (*n.b.* coal includes peat* and oil shale**)

ETS and effort sharing on the road to Paris

- Different sectors react differently to carbon prices.
- Large electricity consumers can simply move outside the EU.
- For EU ETS sectors: let the system do its job, without political interventions.
- Other, non-ETS sectors will need a separate, differentiated CO_2 pricing or trading system.
- The “Fit-for-55” policy package will be launched on 14 July 2021. Tomorrow!
- Leaked drafts suggests that the European Commission will propose a new, separate trading system for heating, cooling and road transport.

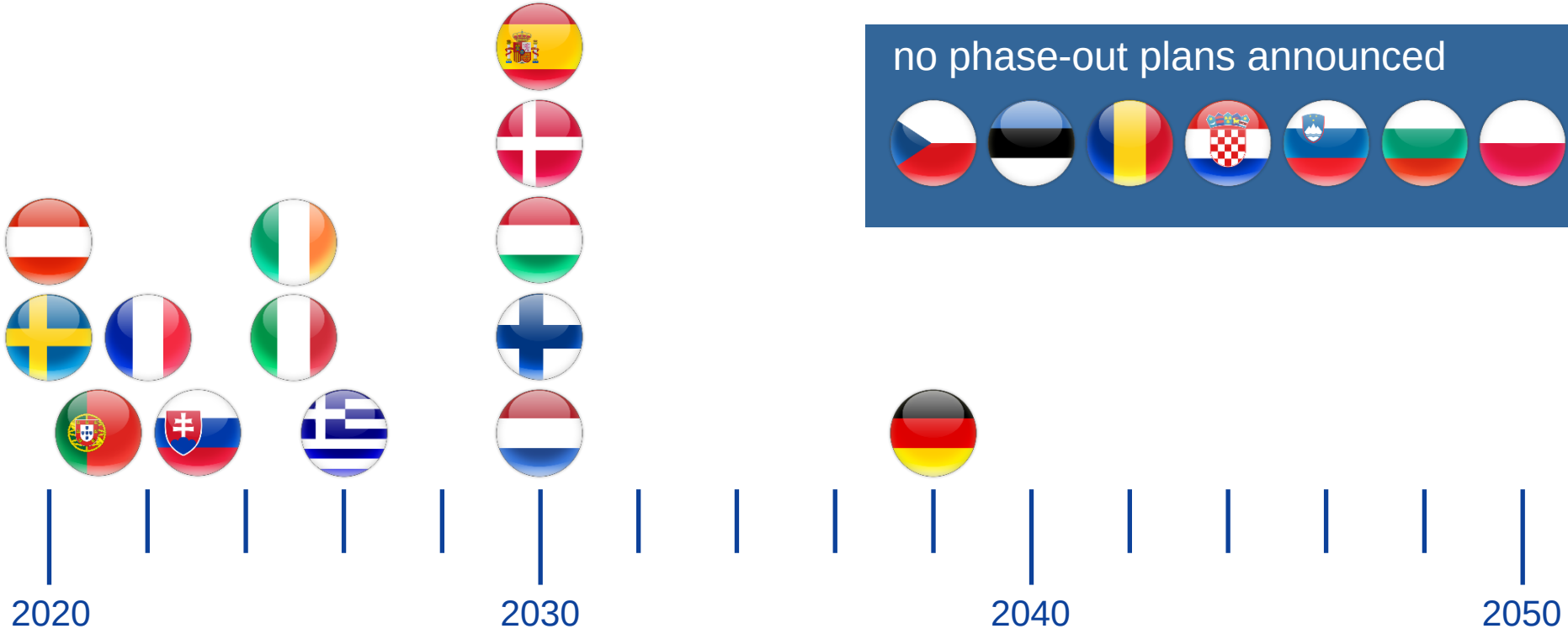
Wealth redistribution will be an element of the European Commission’s proposal – to avoid more *gilets jaunes* – thus straying into fiscal policy.

Is the EU ETS just and fair for participating countries?

On a purchasing power parity (PPP) basis, the price of carbon across the EU is very different – poorer Member States pay up to 150% more than richer Member States!



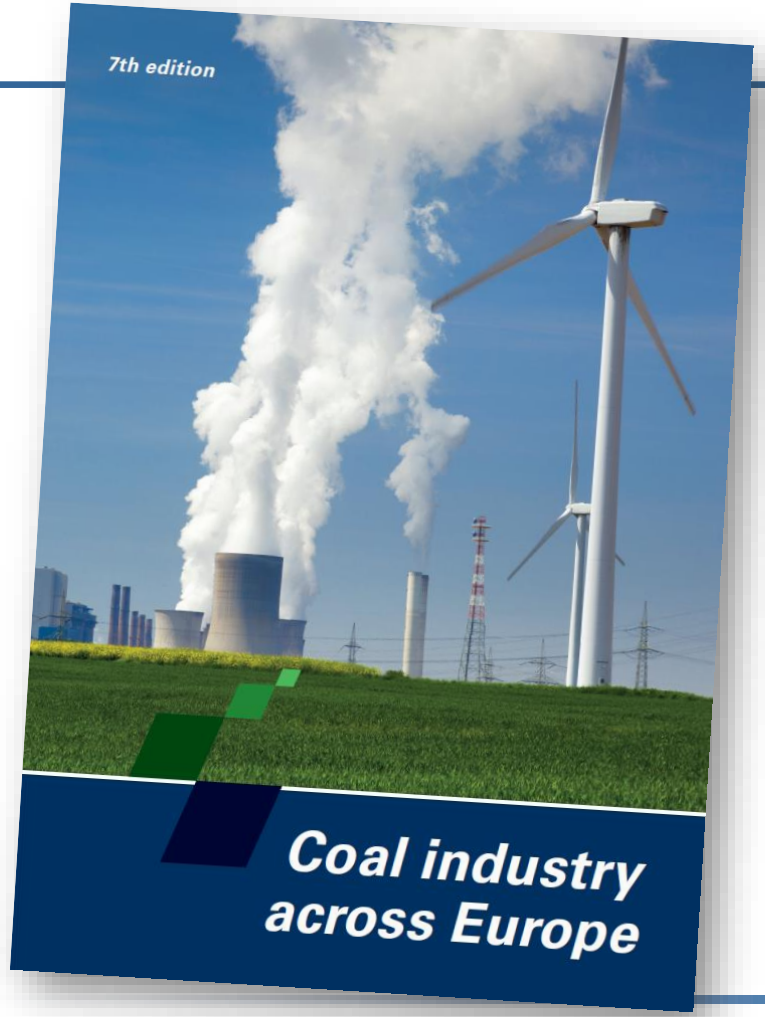
Coal, peat & oil shale phase-out plans in EU Member States



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After coal phase out

- Utilities will diversify.
- Mining companies will use their assets: land and infrastructure.
- Reskilling and upskilling of workers is vital.
- Case-by-case evaluations needed: new and alternative energy projects, energy storage projects, critical and new raw materials, re-purposing.
- Preserve coal's cultural heritage.



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Thank you!

EURACOAL aisbl
Rue Belliard 40
1040 Brussels
Belgium
euracoal@euracoal.eu
www.euracoal.eu