



Overview: National coal phase-out announcements in Europe

Status as of September 2018

Many national governments have announced their intention to phase out coal. A total of 39.64 gigawatts (GW) of coal power capacity, corresponding to 21 % of Europe’s currently operational coal fleet (25% in the EU), are located in countries which have announced they will phase out coal, putting the coal plants in these countries on a pathway to closure.¹ This document gives an overview of phase-out announcements in Europe. Following an announcement, governments need to implement it, which needs to lead to confirmed closure dates on plant level and plans for a managed, just transition away from coal. These actions need to be in line with climate, environmental and health responsibilities, and address the needs of the affected workers, communities, and regions. To be in line with the UN Climate Agreement struck in Paris, Europe and OECD countries need to be coal-power-free by 2030 (or earlier, depending on the country); a fact now also acknowledged by the governments that have signed on to the Powering Past Coal Alliance.²

Overview

| Country | | Coal phase-out status, September 2018 |
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| Austria | Phase-out announced | Coal phase-out by 2025, considering phase out by 2020. The companies operating the last two coal plants in Austria will close them by 2018 and 2025, respectively. When joining the <u>Powering Past Coal Alliance</u> , the Austrian environment minister confirmed that the country will phase-out coal by 2025 and announced that it will look into accelerating its phase out by <u>moving the end date to 2020</u> . |
| Belgium | Coal free since 2016 | Belgium is the first, and so far only, formerly coal-burning EU member to have become coal-power-free. The <u>last coal plant closed in March 2016</u> . It was not an announced government policy objective, but resulted from |

¹ For some of those coal power plants a definite retirement date has been announced, for most of them such a retirement decision at plant level has yet to be taken.

² In November 2017, the UK and Canada initiated the Powering Past Coal Alliance. The undersigned governments commit to phasing out existing traditional coal power in line with the Paris Climate Agreement, which is – according to the declaration – no later than by 2030 in OECD and EU member states, and no later than by 2050 in the rest of the world. Fifteen European countries have signed on to the Alliance: Austria, Belgium, Denmark, Finland, France, Great Britain, Ireland, Italy, Latvia, Liechtenstein, Luxembourg, Netherlands, Portugal, Sweden, and Switzerland.

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| | | the progressive closure of ageing power plants covered by EU pollution control regulations. |
| Bulgaria | No phase-out under discussion | Bulgaria still does not have a long-term energy strategy and a coal phase-out is currently not being discussed. Old and polluting coal power plants are still in operation. The government relies on derogations from EU laws to keep the power plants active and avoids taking responsibility for just transition actions. |
| Croatia | No phase-out under discussion | Croatia has two relatively small hard coal units, one of which was scheduled for closure in the end of 2017 to comply with the conditions under which Croatia became an EU member state. The operator is now considering whether to retrofit the unit. |
| Czech Republic | No phase-out under discussion | There are significant pollution control challenges for ageing power plants in the Czech Republic. The need for a lignite region transition is becoming recognised. |
| Denmark | Phase-out announced | Coal phase-out by 2030. Ørsted (formerly DONG) has <u>announced it will cease coal use by 2023</u> , leaving a number of combined heat and power (CHP) plants which are considering closure prior to 2030. Denmark signed on to the <u>Powering Past Coal Alliance</u> , declaring that it would work to phase out coal by 2030. However, the Danish green NGOs ask the government to set a date of 2025 for a national coal phase-out, as 2030 is too unambitious. |
| Finland | Phase-out announced | Coal phase-out by 2029. Following year-long pressure from civil society groups to end coal, in April 2018 the Finnish Government <u>announced that it will legislate for a ban on the use of coal in power generation after May 1, 2029</u> . While the phase-out fell short of the needed date, the Government also agreed to establish a €90 million fund for energy companies that opt to end burning coal by 2025. Unfortunately, this €90 million will be diverted from support for wind farms and half of it be made available for biomass as a substitute for coal in combined heat and power plants. However, the other half will go to new solutions to provide better options to replace coal-based heat than biomass and gas. |
| France | Phase-out announced | Coal phase-out by 2021. France <u>had committed to a coal phase-out by 2023 under</u> the previous administration but has not yet introduced policy measures to deliver it. |

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| | | <p>President Macron has <u>reconfirmed this commitment</u>, bringing it forward to 2021 in his speeches at the <u>2017 UN Climate Summit</u> and the <u>2018 World Economic Forum</u>. Policy measures are now awaited. In order to address the issue of just transition, the French government will introduce a “transition contract” with the affected regions in 2018.</p> |
| Germany | Phase-out under discussion | <p>With around 48 GW of open coal capacity, Germany is burning way too much coal. The country is currently unable to meet its 2020 climate target, largely due to not having curbed the burning of coal. Following the 2017 elections, the new government agreed in its <u>coalition treaty</u> to decide on <u>an end date for coal power</u> and measures to be able to meet its 2020 climate target. Starting in June 2018, the government established a multi-stakeholder coal commission, which is tasked with finding an agreement by end of 2018.</p> <p>In October 2017, the city state of Berlin was the first ‘Bundesland’ of Germany to <u>pass a coal phase-out law</u>, putting an end to coal heat and power in that region by 2030.</p> |
| Greece | No phase-out under discussion | <p>Greece has ageing power plants that should shut under EU pollution control laws. Despite their <u>unfavourable economics</u>, admitted to even by the <u>CEO</u> of the Public Power Corporation, the Greek government is supporting proposals for new lignite power plants, intending to have Greece burn coal until after 2050.</p> <p>A region in Greece (Western Macedonia) is a priority under the European Union’s new Coal Regions in Transition Platform.</p> |
| Hungary | No phase-out under discussion | <p>Hungary has a limited coal and lignite power plant capacity. It could be an early mover in Eastern Europe. However, the government advertises coal as domestic “energy security” in its public statements.</p> |
| Ireland | Phase-out announced | <p>Coal phase-out by 2025.</p> <p>In March 2018, the Irish minister for climate action announced that Ireland joined the <u>Powering Past Coal Alliance</u> and will <u>end coal power use by 2025</u>. In addition, the Cabinet decided to introduce a ban on smoky coal starting in September. In July 2018, the Irish parliament <u>passed a bill</u> to sell the country’s shares in coal, peat, oil and gas, making Ireland the world’s first country to divest from all fossil fuels.</p> |
| Italy | Phase-out announced | <p>Coal phase-out by 2025.</p> <p>In October 2017, the Italian government announced a coal phase-out by 2025 as part of the National Energy Strategy. The Strategy was signed the</p> |

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| | | month after. However, it is non-binding. <u>Italy has to implement the phase-out through executive measures.</u> |
| Netherlands | Phase-out announced | Coal phase-out by 2029. In October 2017, <u>the incoming Dutch government announced in its coalition pact that all coal-fired power plants will shut by the end of 2029.</u> Three of the five remaining plants in the country have only recently entered operation in 2015 and 2016 respectively, meaning that they will operate for less than half of their expected lifetime. In May 2018, the Dutch government <u>announced a legal ban of electricity production with coal</u> to go into effect on 1 January 2030. |
| Poland | No phase-out under discussion | Ageing coal power plants are facing a big challenge to meet air pollution requirements. Five new units are under construction. The Polish mining sector is facing significant economic pressures. The government is backing coal but market forces are shifting. The EU 2030 climate goals and energy market framework may help accelerate transition. |
| Portugal | Phase-out announced | Coal phase-out by 2030. In November 2016, the <u>Portuguese environment minister confirmed that the power plants in the country will stop burning coal before 2030.</u> This was <u>reaffirmed in October 2017</u> when launching the roadmap to 2050 carbon neutrality. The Portuguese plant Sines is one of the most climate harming coal plants in the EU. |
| Romania | No phase-out under discussion | Ageing coal power plants are facing the big challenge of meeting air pollution requirements. One unit has been planned since 2013, to be constructed in partnership with a Chinese investor, but little has been done since. The Romanian mining sector is facing significant economic pressures. In 2018, this has led to the Energy minister <u>publicly stating</u> for the first time that Romania will have to start thinking about a transition away from coal by 2040. |
| Slovakia | Phase-out under discussion | Slovakia has relatively limited coal power plant capacity. It could be an early mover in Eastern Europe. In December 2017, in Paris, Environment Minister László Sólymos declared 2023 as the target year for Slovakia's coal phase-out in both the mining and power sectors, although this has not yet been spelt out in national policy. A region in Slovakia (Upper Nitra) is a priority under the European Union's new Coal Regions in Transition Platform. |

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| Slovenia | No phase-out under discussion | Slovenia added in 2016 the Sostanj 6 coal power plant to the grid, which the operator wants to run until 2054. The building of this coal power plant has been <u>hugely expensive and wrought with a host of difficulties.</u> |
| Spain | Phase-out under discussion | <p>Spain has massive overcapacity and high potential for renewable energy production. It could retire coal plants without impacting its energy security. A set of old coal plants is due for retirement by 2020 because of EU pollution legislation. The previous <u>Spanish government</u> and coal unions had been pushing for them to remain open, although <u>Iberdrola</u> wants to close its two coal plants. With the new minority government in place since June 2018, chances for a coal phase out or at least some plants closing have increased significantly. The newly appointed Minister for Ecological Transition, Teresa Ribera, hinted at a phase -out by 2025 stating <u>“the use of coal must slowly decrease but may not leave anyone behind.”</u> The government is also working on a climate law and on climate and energy plans.</p> <p>There has been continuous state aid for coal power plants as well as state subsidies for domestic coal production, but mines are due to lose their subsidies by end of 2018.</p> |
| Sweden | Coal free by 2022 | <p>Last plant due to close by 2022.</p> <p>Sweden intends to be among the <u>first fossil fuel free industrialized countries in the world.</u> The last coal plant in Sweden <u>will close by 2022.</u></p> |
| Turkey | No phase-out under discussion | Turkey <u>officially announced</u> an intention to <i>increase</i> its coal-fired capacity to 30 GW by 2023. Currently, almost 39 GW of new coal capacity are in the development pipeline, <u>the fourth largest new coal risk globally.</u> Around a third of the pipeline belongs to state utilities EÜAŞ and Turkish Coal Enterprise. <u>EÜAŞ</u> has been trying to make these lignite assets attractive for investors through generous state subsidies, exemptions, land allocations, and price & purchase guarantees. Retrofitting is a widespread practice, expanding the capacity and lifetime of <u>the country’s oldest and dirtiest plants.</u> |
| UK | Phase-out announced | <p>Coal phase-out by 2025.</p> <p>Announced just prior to the 2015 Paris climate meeting, the UK was the first country in the world to announce a coal phase-out policy. The UK government confirmed its intended regulatory approach in January 2018, but is still working on putting it into legislation. It is considering an <u>emission limit on coal power stations from October 2025 onwards.</u></p> |

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| | | The coal fleet is already halved from around 30 GW in 2010 and by 2016 the coal share had fallen to 9% of the electricity mix, down from 40% just 4 years previously. |
| Western Balkans | No phase-out under discussion | <p>The region is faced with a threat of 6.6 GW of new coal-fired capacity, with 1.7 GW being actively pursued and permitted. A staggering 4.9 GW of coal plant capacity is not yet permitted or permits have expired and not renewed, however it all remains in official plans. Bosnia-Herzegovina is a hot spot for Chinese export of coal technologies with several coal-fired power plants projects under loan consideration by China's policy banks.</p> <p>In terms of pollution control, the existing plants in the region are expected to be compliant with EU pollution laws only by 2028, while the current average fleet age is over 40 years.</p> |
| | No coal plants | Cyprus, Estonia, Iceland, Latvia, Lithuania, Luxembourg, Malta and Switzerland have no coal plants. Norway has no coal apart from one very small CHP plant in the far North of <u>Longyearbyen</u> . Clean alternatives are currently under consideration. |

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