

Overview: National coal phase-out announcements in Europe

Status March 2019

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, March 2019
Austria	Phase-out announced	<p>Coal phase-out by 2025, considering phase out by 2020.</p> <p>The companies operating the last two coal plants in Austria will close them by 2020 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>. In January 2018, Austrian environment minister Elisabeth Köstinger <u>announced</u> the country would phase out coal by 2020, but this goal is <u>missing</u> from the energy strategy published shortly thereafter and no measures have been taken so far to ensure it. To achieve this, operator EVN would have to close its last coal power plant in Dürnrohr by 2020 instead of 2025.</p>

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.

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 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 decided	Coal phase-out by mid-2029. Following year-long pressure from civil society groups to end coal, in October 2018 the Finnish Government <u>introduced a legislative proposal for a ban on the use of coal in power generation after May 1, 2029</u> , which the parliament adopted on 27 February 2019. While the phase-out fell short of the needed date – Finnish NGOs are arguing for a 2025 phase-out date in light of the IPCC 1.5Deg report – the law includes to set up 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 power 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 than biomass and gas to replace coal-based heat.

France	Phase-out announced	<p>Coal phase-out by 2021.</p> <p>France <u>had committed to a coal phase-out by 2023</u> under the previous administration but has not yet introduced policy measures to deliver it. 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>Coal phase-out by 2038 with option 2035 under discussion.</p> <p>With around 48 GW of open coal capacity, Germany is burning way too much coal. The country will not meet its 2020 climate target, largely due to not curbing burning coal in time. Starting in June 2018, a multi-stakeholder government coal commission was tasked with proposing <u>an end date for coal power</u> and measures to be able to meet the 2020 climate target. In February 2019, the commission <u>presented its final report</u> which foresees a phase-out of coal in Germany by 2038, with the option of doing it in 2035, and short-term closures of 12.5 GW by 2022 and review points in 2023, 2026, 2029 and 2032. This proposal falls short of a 2030 phase out needed to be in line with the country’s Paris commitment and civil society is going to continue advocating for more, starting with preventing villages being destroyed for mining. Chancellor Merkel has <u>welcomed</u> the commission proposal and the government has now started the process of putting the proposal into law.</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	Phase-out under discussion	<p>Hungary has one lignite power plant left (Matra, 884 MW), which is the number one CO₂ emitter of the country. In a <u>presentation</u> by the operator of the Matra power plant in November 2018 in a meeting of the ‘Coal Regions in Transition Platform’ established by the European Commission, it was stated that the company is considering three possible scenarios</p>

		with the low-carbon scenario being the most viable one, which means that the lignite-fired units of the plant would be retired by 2030 at the latest. The deputy state secretary, on the same occasion, emphasized that the government will be supporting the company and the region in their low-carbon transition efforts. If this becomes reality, Hungary will be among the first Eastern European countries to go beyond coal by 2030.
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, a ban on smoky coal (for domestic heating) started in autumn 2018 and will come into full effect by the end of 2019. 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 month after. However, it is non-binding. <u>Italy has to implement the phase-out through executive measures.</u></p>
Netherlands	Phase-out announced	<p>Coal phase-out by 2029.</p> <p>In October 2017, the incoming Dutch government announced in its <u>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.</p> <p>In October 2018, the Dutch government lost an appeal in the Urgenda case and will need to reach a 25% reduction in greenhouse gas (GHG) emissions by 2020 (relative to 1990). With current GHG emission at -13%, it means that drastic, short-term measures will be needed. Some coal plants could close earlier than planned.</p>
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. Romania's <u>National Energy Strategy</u> proposes a yearly power generation from coal of 15 TWh from 2030 until 2050, which is only 1 TWh less than in 2018. A new unit at Rovinari coal plant has been planned since 2013, to be constructed in partnership with a Chinese investor, and recently been stressed as a priority in the National Energy Strategy. The Romanian mining sector is facing significant economic pressures.
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, Environment Minister 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 year later, economy minister Ziga <u>said</u> that the country will phase out subsidies for mines that are supplying the Novaky coal plant by 2023. A region in Slovakia (Upper Nitra) is a priority under the European Union's new Coal Regions in Transition Platform.
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	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>several operators</u> want to close their 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> " In November 2018, the Secretary of State for

		<p>Energy, José Domínguez Abascal, estimated “<u>that at least 9 coal plants will close in June 2020 as the necessary adaptations have not been carried out</u>”. Environmental groups <u>raise</u> that concrete actions must be taken to guarantee the effective closure of these plants. The government is also working on a climate law and on climate and energy plans.</p> <p>In February 2019, the Parliament of the Balearic Islands has <u>approved</u> a Law on Climate Change and Energy Transition that sets an end date for coal in the Balearic Islands. The islands’ last coal power plant, Alcúdia, will have to close by 2025.</p> <p>With the end of hard coal mining subsidies in the EU in 2018, 25 of the 26 coal mining units scheduled to close <u>ceased</u> operation by 31 December 2018. In the end this was made possible through a just transition deal the Spanish government has <u>struck</u> with the regions.</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	<p>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>.</p>
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>. 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.</p>

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	<p>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.</p>

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