

## Post-Paris EU climate policy briefings

*At the Paris Climate Summit, 195 governments agreed to reduce man-made greenhouse gas emissions to zero during the second half of this century and to limit average global temperature rise to 1.5°C. As signatories to the Paris Agreement, the EU and its Member States now need to revise and strengthen their climate and energy policies, and all other relevant policies to make them coherent with the Paris objectives. Our briefing papers provide a top line overview of the processes that will contribute to the needed zero-carbon transformation.*

### Adoption of National Coal Power Phase out Dates

April 2016

#### What?

The commitment of the EU, in the Paris Agreement, to pursue efforts to keep temperature rise below 1.5°C, means in practice that all EU Member States will need to phase out the use of coal for power generation. Coal will have to be the first fossil fuel to go. However, decisive action for rapid coal closure is decidedly missing in many places and for many of the EU's coal plants there are no closure dates announced. CO<sub>2</sub> emissions from coal are declining, but not anywhere near the speed needed. There is no explicit EU level process to phase out coal, given it is assumed that the Emissions Trading System and the carbon price it generates automatically lead to a transition away from coal. This has proven to be wrong. In light of the many deficiencies the ETS currently faces, explicit action by all 21 EU Member States that still burn (and mine) coal is needed to achieve a managed phase out with an 'end date' for the use of coal. The same is needed by utilities and investors.

#### What is at stake?

For the EU to make its fair contribution to achieving the objectives of the Paris Agreement, a total phase out of coal needs to be envisaged – likely somewhere between 2030-2035. Such a phase out date will have to be different from Member State to Member State given some countries have only a few old coal plants and others have many and are still strongly depending on coal for their electricity production. Some should become coal power free by 2020, others 2025 etc. Also, what needs to be taken into account is the necessity for a just transition enabling affected communities and workers to benefit from a zero-coal economy. This only emphasizes the need for a 'proactive managed coal phase out'. To enable this, funds, including those from the EU, such as regional and structural funds, should be set aside that exclusively focus on replacing coal for clean energy sources and supporting a just transition to a zero-carbon economy.

#### Who are the key players?

The full responsibility for the national coal phase-out plans lies with the governments and parliaments of the Member States that still have coal (see below).

#### What has happened, will likely happen and when?

A small number of smaller EU Member States are coal free (Cyprus, Luxembourg, Malta, the Baltic States) with the recent addition of Belgium in March 2016. In some countries, governments have made statements about the end of coal though clear legislation confirming this is still missing: in the run-up to Paris, the UK government pledged to phase out coal by 2025. The Finnish government plans to phase out coal in the 2020s. In 2015, the German government struck a deal with its utilities to retire coal plants in an attempt to meet its national 2020 climate targets – though this will be insufficient, so a fierce debate on coal phase out is taking place. The Dutch parliament called upon the government to close all its coal plants in order to



meet its 2020 climate targets, including three recently commissioned ones. During the Paris climate summit, Sweden announced it would be among the first fossil fuel-free developed countries. Regarding actors in the economic sphere, in 2015 operators in Austria announced they would shut down the remaining coal plants by 2025. The Norwegian sovereign wealth fund and the German insurance company Allianz announced they would divest from coal. The French utilities EDF and Engie abandoned plans to build new coal power plants in Turkey and Poland. The coal sector is in big trouble, but how big and how quickly this can result in plant and mine closure depends on where these are situated in Europe. A domino though has begun, which can be turned – if we make an NGO campaign effort – into an avalanche all over Europe.

## CAN Europe's position

For now: CAN Europe advocates to phase out coal for power production in Europe as soon as possible as a key step for a 100% renewables, low energy demand energy future, whilst making sure that communities and workers benefit from a 'just transition'. While there is no specific EU process to phase out coal, the EU can play an important role in the coal phase out. Firstly, through statements of intentions on supranational level that a rapid coal phase out is needed. Secondly, through a whole suite of EU policy files that either directly or indirectly incentivize or disincentivize the burning and mining of coal. Attention needs to be given to those:

- a) climate/energy related: energy market design, ETS reform, low-carbon reporting and planning;
- b) funding/subsidies related: state aid rules and their application, the various forms of EU funds and funding flows;
- c) Clean Air and Water related: Industrial Emissions Directive and the setting of Best Available Techniques for Large Combustion plants (BAT/LCP BREF), limits set for coal relevant pollutants under the National Emissions Ceiling Directive revision as well as Implementation of the Water Framework Directive on pollutants relevant to coal.

On top of that, utilities can considerably speed up the transition towards a clean energy future by refraining from building new coal power plants and opening new coal mines as well as starting to close down their existing coal assets - and not selling them! Banks, insurance companies, pension funds and other investors are key players for the divestment from coal. Last, but not least, also the judiciary can influence the playing field: in 2014, an Italian judge ordered the country's power plant 'Vado Ligure' to be shut down on the account of manslaughter due to violating binding clean air pollution limits.

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