



Europe Beyond Coal
Gartenstraße 110
10115 Berlin
Germany

24 February 2021

The undersigned organisations call on Prime Minister Andrej Babiš and Czech Ministers to commit to a 2030 coal phase out date.

Dear Prime Minister Andrej Babiš and Ministers of the government,

We welcome the coal phase out discussion that is underway in the Czech Republic, as it creates an opportunity to address the climate and health crises we are all facing, for which the burning of coal is one of the main culprits. Air and water pollution know no borders, and with the inevitable end of coal coming fast, a timely, green, socially just, and well managed phase out of coal in the Czech Republic is not only essential, but it will come with immense benefits for the health and wellbeing of Czech and European citizens. A sufficiently ambitious and forward looking coal exit decision taken by your government will minimise the financial burden on taxpayers, modernise the national energy system, create thousands of quality new green jobs, and ensure a just transition for affected coal workers and communities. Importantly, sufficient ambition will attract support by way of substantial EU funding.

These many opportunities are currently at risk, as none of the phase out dates being discussed (2033, 2038) are in line with climate science, economic reality, the EU's goal of reducing greenhouse gas emissions by at least 55% by 2030. They also fail to show enough leadership in the run up to the Glasgow UNFCCC COP in the end of this year, particularly given that UN Secretary General António Guterres has explicitly called on all EU and OECD countries to phase out coal by 2030. Three European countries have already gone coal free, and a further eleven are set to do so by 2030 or sooner [1]. The only country so far with an inadequate coal exit plan is Germany, but even this country is already seeing coal plants close faster than it expected - including two of its youngest [2]. The German Minister of Economic Affairs and Energy Peter Altmaier recently admitted that, due to ever tighter EU climate policies, the acceleration of the German coal exit is to be expected [3], while the head of the Energy Expert Commission of the German government, economist Andreas Löschel, thinks the end of coal will largely happen by the end of the 2020s [4].

Several respected studies, among them reports by Bloomberg New Energy Finance (BNEF) [5] and UK think tank, Ember [6], **show that it would be economically optimal for the Czech Republic to exit coal by 2030, which can be achieved by deploying renewable energy at a rate similar to other EU countries.** But what is missing is the political will to acknowledge this, and, in practical terms, prepare a scenario to exit coal by 2030. While on the surface the 2033 scenario is closest to this date from the ones you are currently considering, its details require a lot of work, since it only proposes the first coal power plant closures to happen in 2029. It would be impossible for the Czech Republic to contribute to the EU's 2030 climate target of at least -55% with such a plan.

It is worrying that all scenarios that the Czech coal commission produced for your consideration are based on a series of faulty assumptions. Firstly, they predict minimal growth in renewable energy, which stands in stark contrast to the recent news that in 2020, for the first time, renewables overtook fossil fuels to become the EU's main source of electricity [7]. Secondly, the scenarios assume an unrealistically low emission allowance price of EUR 30 per tonne in 2030, despite it hitting EUR 40 per tonne in February 2021 and a prognosis by BNEF of EUR 50-80 per tonne in 2030. Various market forces are contributing to the decline of coal. Importantly, the finance sector is rapidly dropping its support for coal and excluding companies that do not intend to exit coal by 2030 [8]. With ever cheaper renewables taking its place, coal is already a very uneconomic way of generating power and this outlook will only deteriorate further.

Furthermore, as the Czech Republic is rightfully taking legal action to protect its water sources due to the impacts of the Polish Turów coal mine that sits at its border, delaying a coal phase out means similar water impacts will not be addressed soon enough "at home", especially after 2027 if a late coal exit date is adopted, making it difficult to fulfill obligations under the Water Framework Directive.

We recommend that your government anticipates and plans for the inevitable collapse of coal that is already underway, and invests accordingly into the affected coal regions and the infrastructure of a renewables-based energy system. Moreover, the opportunity window to tap into the EU funds is now open, providing a unique occasion to attract a flood of investments for a socially just transition from coal to renewable energy and energy efficiency, that have the potential for fast job creation in both the construction and manufacturing sectors.

This is why we, the undersigned, call on you, the Czech government, **to reject the coal commission's recommendation of a 2038 coal exit date and commit to a coal power end date no later than 2030, with a clear decommissioning timeline for power plants, closing the most polluting ones first and soon.** The coal phase out plan needs to be cemented into law, and be accompanied by investment and support programs for coal regions and the renewables sector.

We understand that planning and implementing an energy transition away from coal brings with it certain challenges, but there has never been a more urgent time for you to exert leadership than when voting on your country's coal exit. We can offer our support for an adequate transition beyond coal for power and heating, drawing on experiences across Europe.

We look forward to your response.

Sincerely,

Kathrin Gutmann

Campaign Director
Europe Beyond Coal

On behalf of:

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