

While Western Europe seems intent to phase it out, only now is Poland, Europe's second biggest coal burner, entertaining real closure plans. Further east, Romania, Bulgaria, Czech Republic, Slovenia and Croatia are only beginning their coal transition discussions, with little concrete plans. And at the edges of the EU in Kosovo, Bosnia & Herzegovina and Macedonia, coal projects are actually ramping up.

Coal is tanking globally, nowhere faster than in the EU including the UK. With over 8.3GW of generation capacity coming offline during the first half of the year, coal-fired energy has fallen by almost a third across Europe. Even better: at least another 6 GW of capacity is scheduled to shutter during the second half of 2020 as Spain and Portugal join Sweden and Austria in ending their coal ages.

### **Coal collapse in the EU**

Even before the pandemic, European coal power stations were already in structural decline. A recent report by the think tank Ember estimated that coal power plant utilization rates in the European Union have dropped to 24 percent. However coal still accounts for around a fifth of the total electricity production in the EU and remains a significant economic driver in various regions, providing direct jobs to some 230,000 people in mines and power plants across 31 regions within 11 nations. In Brussels, EU leaders have only recently agreed to raise the European Union's 2030 emissions reduction target from 40% to 55% net by 2030 (based on 1990 levels) —which would essentially require the bloc to phase out coal by that date, according to a new report from the consultancy Climact and think tank Ecologic. Initially, in September, the European Commission announced their support for increasing existing 2030 emissions reduction targets in order to achieve the EU's 2050 climate-neutrality goal. However, member states urged the EU commission to assess "the specific situation" of each country and how the updated 2030 targets would affect them individually. The agreement on the 2030 net target in the European Council summit in mid-December was only achieved after previous failures (EU summit on 15 October) and tough negotiations. Though almost half of the EU member states announced their support, Poland and other coal dependent eastern nations expressed concerns, which lead the Council to address the issues of just transition monies for less favored regions, distributional challenges and energy poverty in its conclusions.

### **Reductions in Spain and Portugal**

Nevertheless, coal burning across Europe is being phased out as several governments announced a flurry of coal closures and draw-downs. In May, Spain's government

announced plans for full decarbonization by as early as 2030. At the beginning of July, seven out of its fifteen coal-fired power plants, with a total capacity of 4.6GW, ceased production. Four further plants are preparing for retirement by the end of 2020, according to newspaper El País.

Teresa Ribera, the minister for ecological transition, is confident Spain has laid down the foundations to end the era of coal. In an interview with the Independent, she discussed that “with this agreement, we have solved the first urgent task we had on the table when we came to government. Our aim has been to leave no one behind,” she said.

“We also want to go further, we want to innovate. That is why we offer the drawing up ‘Just Transition’ contracts, with the aim of helping the regions to consolidate the employment of the future.”

Last year, Spain’s coal power plants generated less than five percent of the country’s electricity, while renewables contributed 36.8%. These recent retirements were preceded by a 58% annual drop in Spain’s coal power generation, from 8.0 terawatt-hours (TWh) in the first half of 2019 to 3.3TWh this year. Nevertheless El País notes that 2,400 people will be laid off following shutdown of all the nation’s coal-fired plants. Iberdrola, which owns many of them, has committed to keeping much of its workforce employed in decommissioning efforts while it advances plans to develop more renewables near the former coal dependent regions. Though Spain has not announced a formal end date for coal, the writing is on the wall.

To the west, Portuguese energy company EDP announced the closure of its Sines coal plant, bringing an end to the nation’s coal-fired power in 2021, nine years earlier than originally planned. EDP cited renewable energy growth and coal’s higher costs in its early closure decision, while it too guaranteed workers will be involved in both clean up and retraining efforts, enabling a just transition in the region. Portugal is the third EU country to bring forward its coal phase-out plans this year, following Austria and Sweden. They will join Belgium next year in completely eliminating coal in electricity production since the UN Paris Climate Agreement was signed. Going forward, four other countries are expected to eliminate coal for electricity generation by 2025 or sooner including France (2022), the UK (2024), Ireland (2025) and Italy (2025). What is more, Portugal will be able to shape European climate policies more decisively in the upcoming months as it takes over the reins from Germany for the EU Council presidency in January 2021.

While not announcing an end date, The Netherlands has similarly announced plans to reduce the capacity of its thermal plants by 75% to comply with a court order to reduce climate risks. Another court has also determined that coal to biomass conversion schemes

should also not be subsidized.

Finally, in the sunny southeast corner of Europe, the Greek government has also announced a 5 billion euros coal transition plan by 2028. The government-owned Public Power Corporation plans to close 80% of its coal capacity by 2023. Only the still under construction 660 MW lignite unit at the Ptolemaida will fire coal through 2028 before switching fuels.

### **Germany continues to clean up**

After adopting a very unambitious coal phase-out plan, the German energy grid continues to become cleaner. Over the first 9 months of 2020, renewables generated over half of the nation's electricity, with wind alone producing over 27%. Brown coal was the second largest source of electricity generation, with 15% of the total, but importantly, solar PV was in third place with 13%. Brown coal saw its share of the German power mix fall by 28% year over year, while hard coal fell by 36.3%. Notably, wind and solar generated more electricity than either nuclear or natural gas, and when combined, the two main sources of renewable electricity generation accounted for 143.9TWh, or 39.75% of the total, according to the Fraunhofer Institute's Energy-Charts. Evidence of coal's impending demise, Swedish utility Vattenfall recently announced its intent to close its five-year-old Moorburg plant far earlier than it's expected 2033 shuttering. The 1,640 MW behemoth near Hamburg went online in 2015, making it the second youngest plant in Germany-after Datteln 4. In December, as part of Germany's first capacity auction, Moorburg will be among the earliest new plants to close. Going forward, the German transmission system operators will decide by early March 2021 on the systemic importance of Moorburg. If not deemed system relevant, the firing of coal will be stopped at the latest on July 1, 2021.

"The decision to bring this new coal power plant online in 2015 - the year the world agreed to the UN Paris climate agreement - was hugely controversial, and has clearly backfired," said Kathrin Gutmann, Europe Beyond Coal campaign director.

Source: [energytransition.org](https://energytransition.org)