

Coal in the Czech Republic (social and regional aspects)



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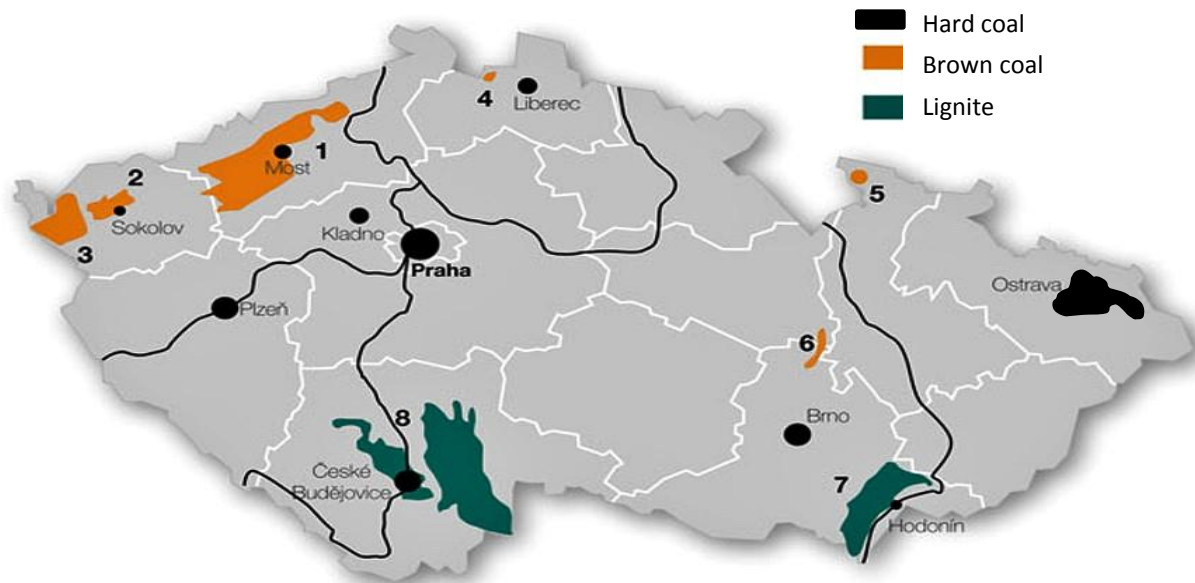
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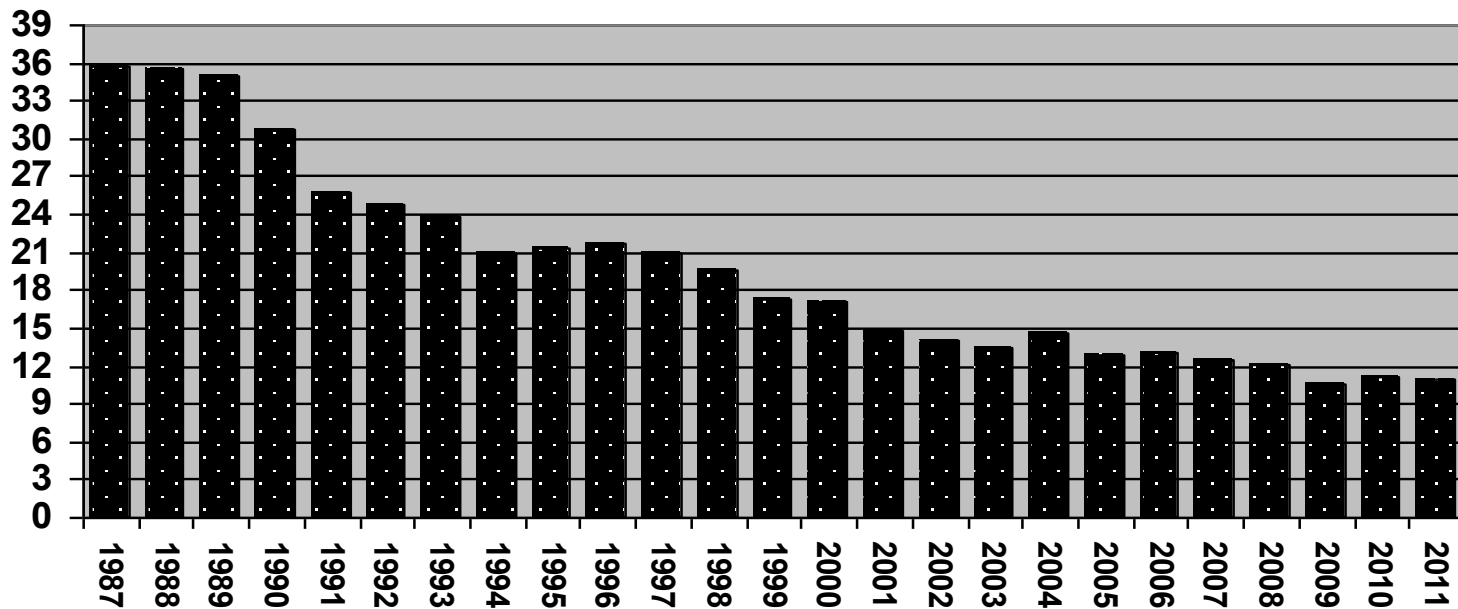
Coal deposits in the Czech Republic



Active mining

- Brown coal in north-western Bohemia
- Hard coal in northern Moravia around Ostrava

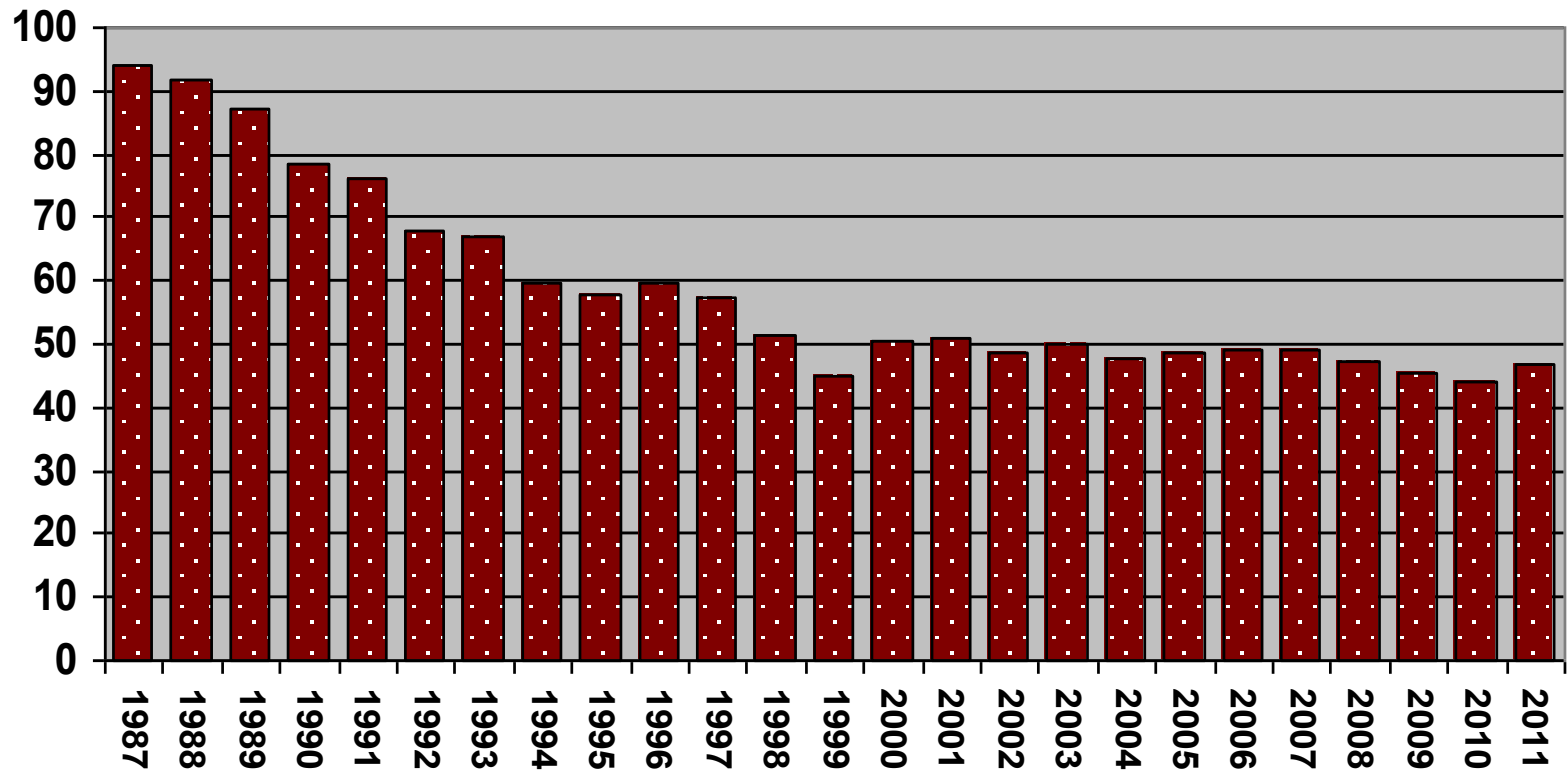
Hard coal production



Source: Ministry of Industry and Trade of the Czech Republic (MIT)

**In 2011, some 11.3 million tonnes were produced in the Czech Republic.
In recent years, hard coal production has been quite stable at around 12 million tonnes.**

Brown coal production



Source: MIT

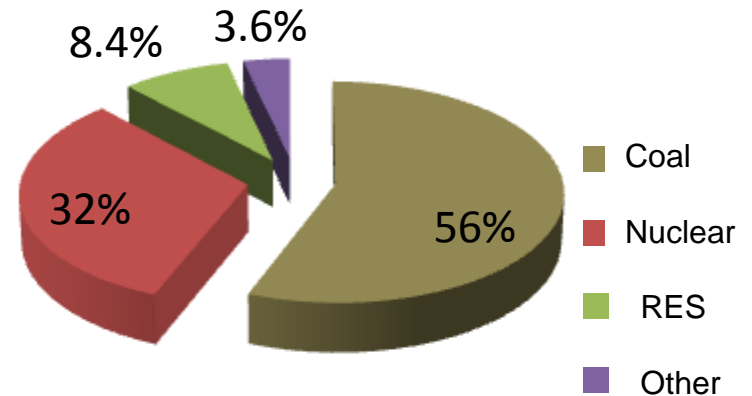
In 2011, some 47 million tonnes were produced in the Czech Republic. Brown coal production has also been quite stable in recent years, ranging from 45 to 50 million tonnes.

Importance of coal for the Czech Republic

Key facts:

- More than 55% of electricity is produced from coal in the country
- Some 1.5 million households depend on heat from coal
- Coal extraction directly gives employment to some 22,500 people

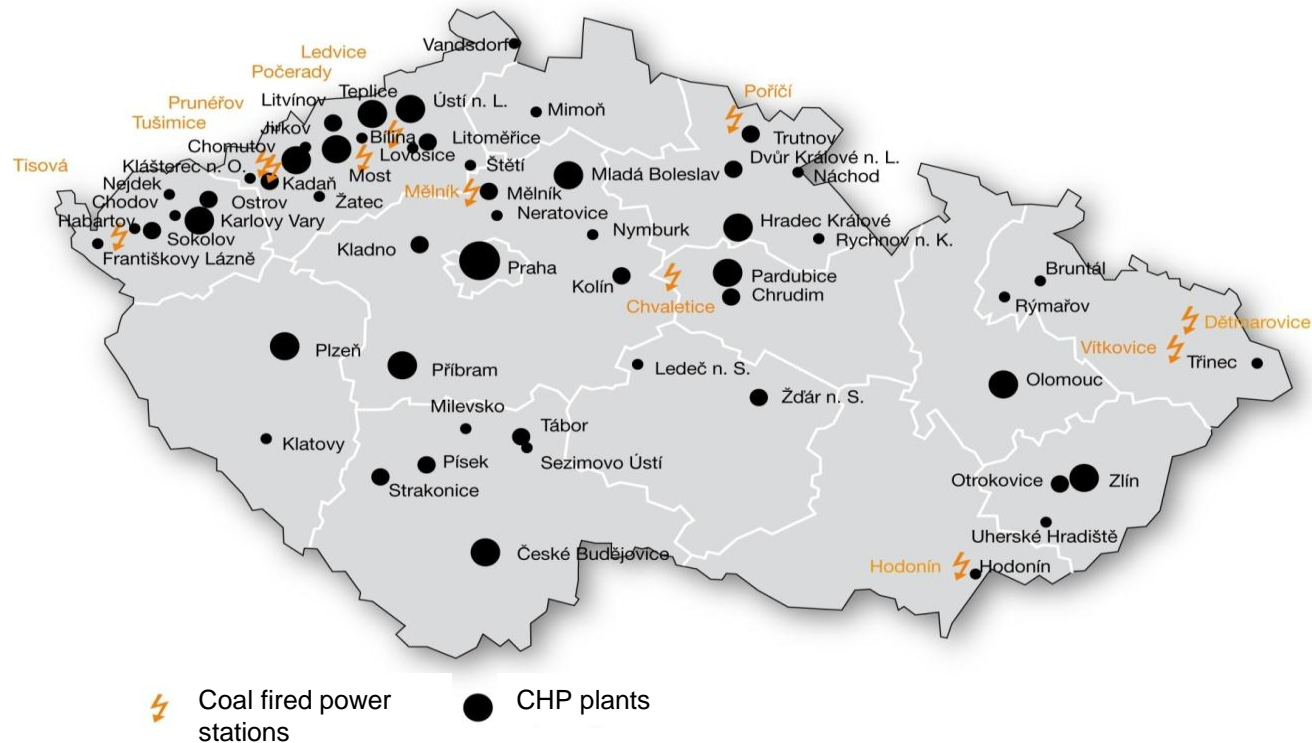
Share of energy sources in electricity production



Source: MIT statistics ,2011

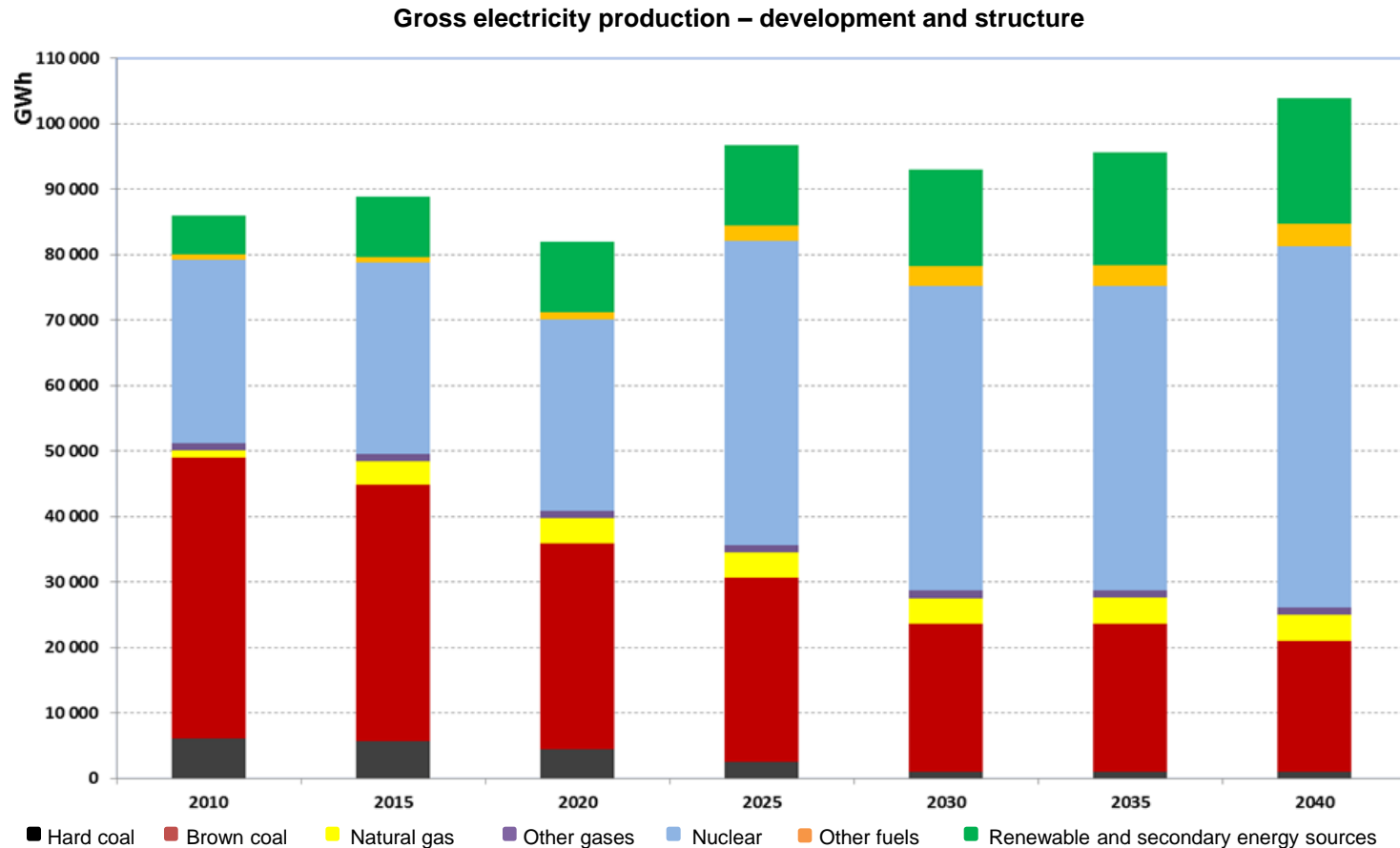
Coal is the country's most important indigenous energy resource.

Coal fired power stations and CHP plants in the Czech Republic



Coal is used for electricity and heat production throughout the country

Draft update of the National Energy Concept

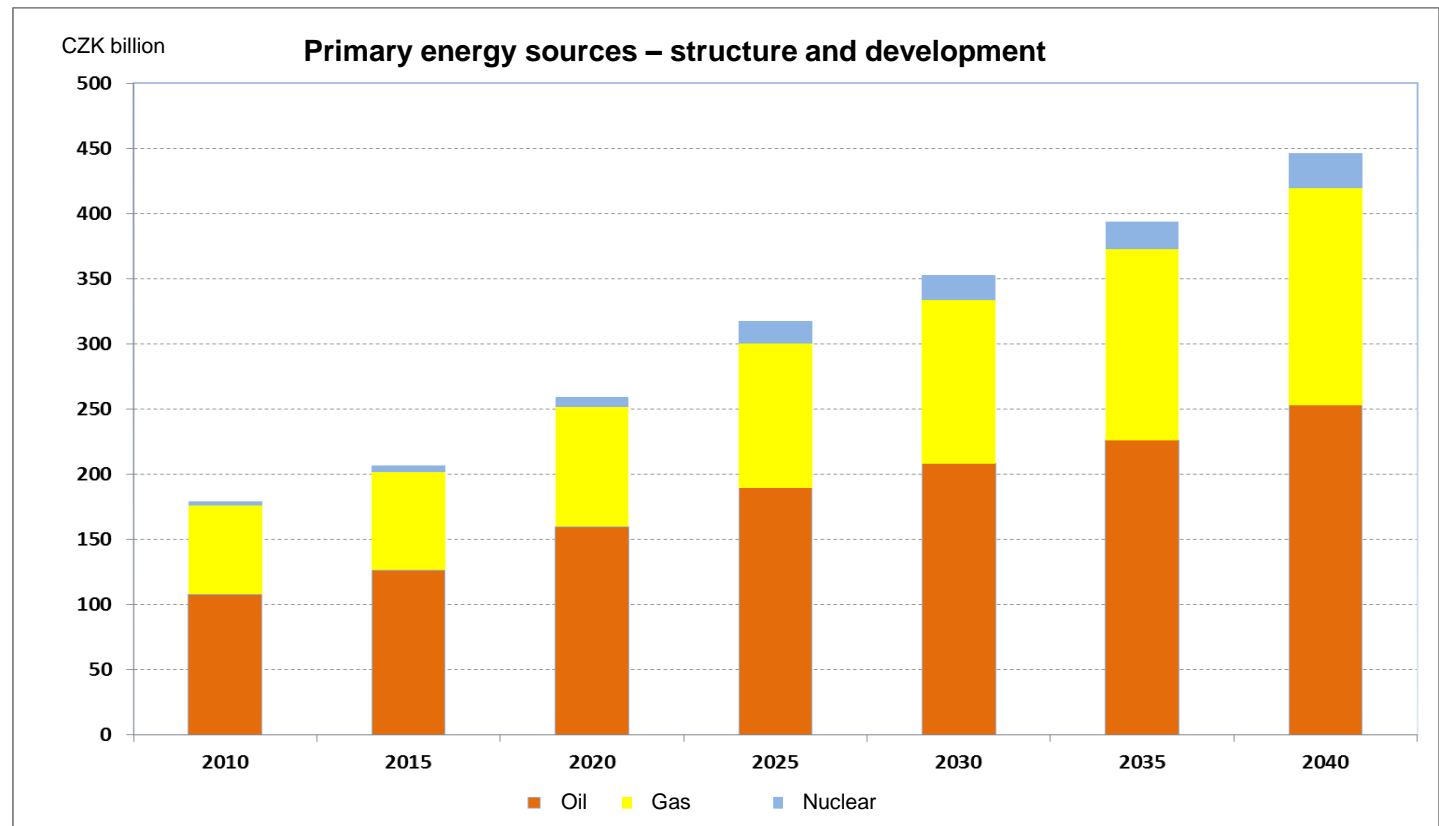


Source: MIT, NEC

By 2040, coal's share in electricity production is to drop by almost two thirds and the share of nuclear is to almost double.

II Prospects for the Czech coal industry

Draft update of the National Energy Concept



Source: Ministry of Industry and Trade, draft NEC

Lower use of indigenous resources will result in a significant increase in the country's dependence on imports of oil and gas by 2040.
The costs of energy import will increase by a factor of 2.5.

Characteristic features of the region



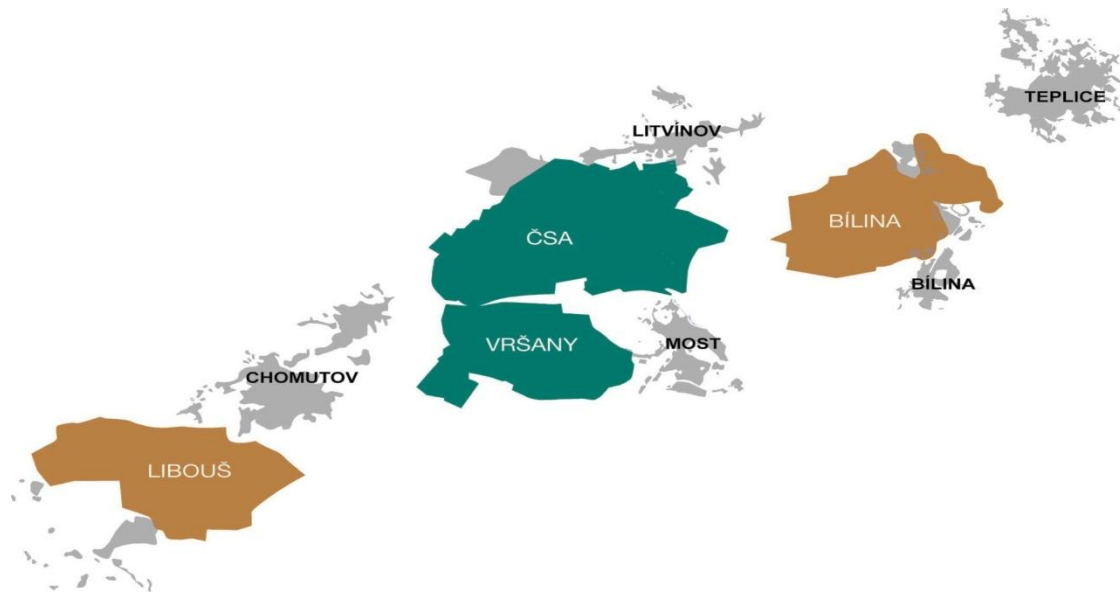
- Situation: north-west of the Czech Republic
- A population of 800,000
- The highest unemployment rate in the country
(September 2012: the District of Most: 15.8%, national average 8.4%)
- The lowest level of education in the country
- Brown coal mining: one of the most important employers in the region
- The region produces 60% of the country's electricity

**The average rate of unemployment in the Ústecký Region is much higher than the national average.
In some areas the rate of unemployment is even a double of the national rate.**

Brown coal production in the Ústecký Region (in 2011)

There are four brown coal surface mines:

Libouš	- 14.8 million tonnes
ČSA	- 4.1 million tonnes
Vršany	- 9.7 million tonnes
Bílina	- 10.4 million tonnes



More than 80% of Czech brown coal is produced in the Ústecký Region.

Brown coal production in the Ústecký Region

Problem of future production:

- In 1991, the “mining limits” were set for environmental reasons in the Government’s Resolution
- The mining limits block 850 million tonnes of high grade coal
- 11 governments have not resolved the question of the mining limits
- The current ruling coalition is against mining beyond the set mining limits

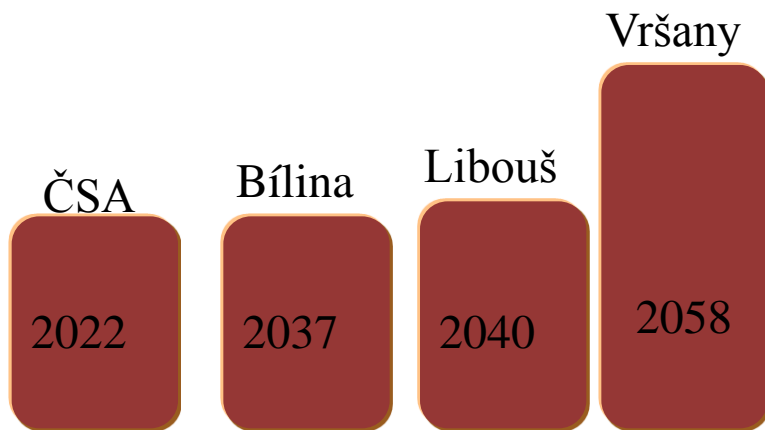


The draft update of the energy policy does not envisage extraction beyond the limits in the medium term.

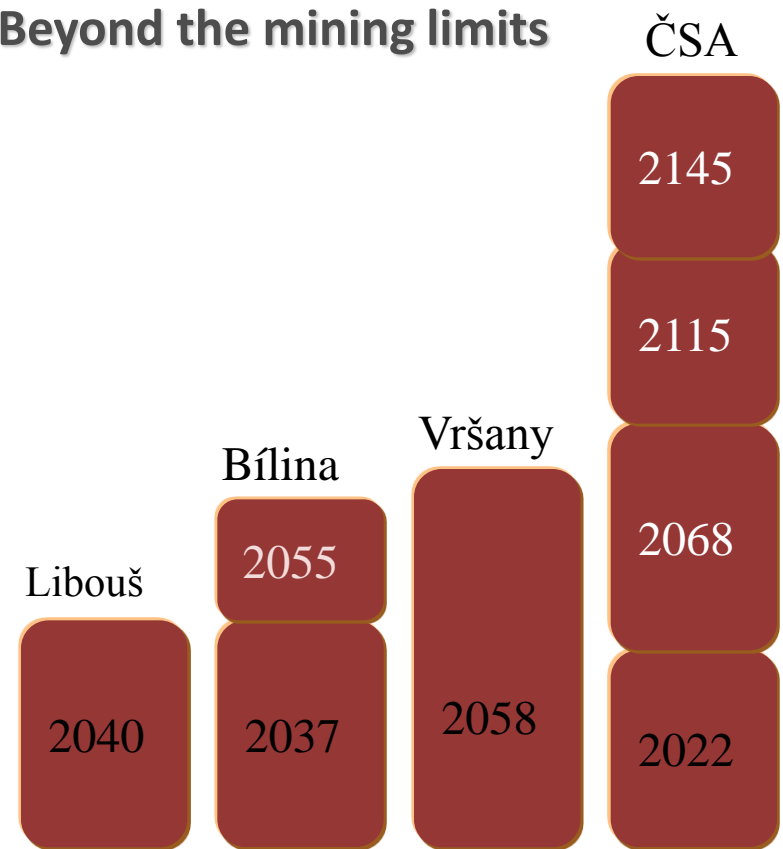
III Case Study - the Ústecký Region

Life of brown coal mines

Within the mining limits



Beyond the mining limits



In the case of extraction beyond the mining limits, coal would be available for efficient use in the Czech economy for more than 130 years.

Efficient coal use

Construction of a new 660 MW unit at the Ledvice brown coal power station
(efficiency 42.5%, commissioning 2014/2015)



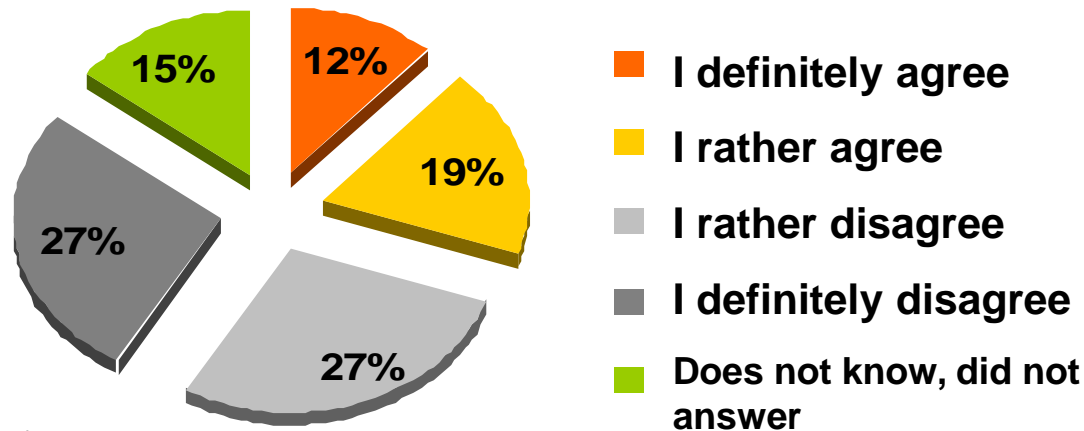
Plan to build a new 660 MW brown coal power station near the town of Most



Highly efficient and flexible power stations consume less coal, release less CO₂ emissions and provide support for intermittent renewables.

Residents' response to coal phase out poll

Poll on coal mining phase out conducted before the update of the energy policy



Source: Ústecký Region, 2009

Conclusion of the poll:
The majority view is that coal mining should not be quickly phased.

Residents' response to coal phase out: demonstration

Following the draft of the new energy policy and the omission of the Sections on compulsory purchase of land from the Mining Act (the President's signature is only needed now)



concerns over jobs culminated



Many lost patience

Demonstration in front of the Government Office on 31. October 2012

- Representatives of trade unions, mining organisations, municipalities and citizens from the region and the whole country participated
- Main reason for the protest:
Disagreement with the cabinet's steps in energy and mining, which will result in a dramatic increase in unemployment in mining areas
- The ČSA surface mine has reached the mining limits, extraction is being reduced and layoffs were started
- By 2020, up to 8,000 people may lose their jobs in the region in relation to the phase out

No cabinet minister came out to meet the demonstration. Only a message was sent that in line with the cabinet's manifesto, no mining limits will be lifted.

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Implications



- Increased dependence on imports
- Negative impacts on the national budget
- Lower security of energy supply
- Loss of competitiveness
- Energy price hikes
- Risk of district heating disintegration
- Higher rate of unemployment
- Decline of coal regions

Thank you for your attention and time



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