EURACOAL

European Association for Coal and Lignite AISBL

Annual Report

2021

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MESSAGE FROM THE PRESIDENT

Vladimír Budinský

This report covers the activities of EURACOAL during calendar year 2021. When members met in Kyiv in July 2021 for our annual meeting, there was hope in the air. Hope that Ukraine was moving forward with a positive agenda for change and development. Prime Minister Shmyhal elaborated this sentiment at an international coal conference hosted the following day by DTEK, a EURACOAL member. On 24 February 2022, Russia launched a full-scale invasion of Ukraine and changed everything. This horrendous aggression needs to end so that Ukraine can develop its economy in the ways we discussed and enjoy the peace and prosperity it deserves as a sovereign European country.

The year 2021 was a turbulent year for the EU coal industry: the European Green Deal took shape with the presentation by the European Commission of its Fit-for-55 package. Member states came under increasing pressure to make coal phase-out commitments and many have, with a range of end dates. By year end, energy prices had exploded and, on the last day of December, the Commission published amendments to the Taxonomy Regulation on energy sector investments. For some member states, this complicates the move away from coal as the conditions on fossil gas use as a "bridge" to renewables are strict, and similarly for new nuclear power.

Despite the gloomy picture ahead for coal in Europe, the International Energy Agency (IEA) predicted 6% growth in coal use in 2021. Its *Coal 2021* report could have been titled *Coal is Back* as a new record high annual coal demand of 8 billion tonnes is expected in 2022 to 2024. Electricity from coal is in great demand everywhere, notably in China which accounts for half of global coal consumption, but also in India and even in the EU where coal supply grew by 12% in 2021. EU hard coal production, mainly from underground coal mines in Poland, grew by a modest 1.2% to 57.2 million tonnes while lignite production grew by 12.5% to 274.5 million tonnes, with Germany accounting for almost half. Coal imports into the EU grew markedly, by 19.4% to 106.0 million tonnes, with Russia accounting for just over half.

For the next three years, the IEA had forecast that annual coal use in the EU would decline sharply – by over 100 million tonnes. Legislation linked to the European Green Deal was expected to drive this trend. However, the current energy crisis and shift away from Russian fossil fuels means that the EU may have to find an *additional* 100 million tonnes of coal each year to secure electricity supplies.

A key event of 2021 was the launch of the Fit-for-55 package on Bastille Day. This far-reaching set of proposals aims to impact every sector of the economy and every aspect of people's lives. Back in 2007, EU leaders agreed to ambitious climate reduction targets and subsequently the 2020 Climate and Energy Package with its 20-20-20 targets was enacted in 2009. Five years later, these targets were strengthened under the Climate and Energy Framework of 2014, with a 40% greenhouse gas (GHG) emission reduction target for 2030. Another five years later, in 2019, the Clean Energy for all Europeans Package was adopted with a 45% GHG emission reduction target for 2030. Most recently, on 9 July 2021, the European Climate Law regulation was published with a new GHG reduction target for 2030 of "at least" 55%. This legally binding, EU-wide target is a stepping stone on the way to net-zero carbon emissions and climate neutrality by 2050. Five days later, the European Commission proposed the Fit-for-55 package.

It was crucial for EURACOAL to understand the exact conditions under which the Commission expects the EU to implement the new 55% target. The proposal foresees, once again, that most efforts will be made by the energy and industrial sectors. But transport and buildings are to have a separate emissions trading system, including marine transport. The Fit-for-55 package comprises many new proposals and revisions to existing legislation – eighty will be considered by the European Parliament. EURACOAL decided to focus on five of these:

- EU Emissions Trading System (ETS) Directive,
- Effort Sharing Regulation,
- a new Carbon Border Adjustment Mechanism,
- Renewable Energy Directive, and
- Energy Taxation Directive.

The EURACOAL Energy and Environment Policy Committee moved quickly and agreed positions, as explained below in Dr. Diercks' report, the committee chair.

The detail of coal phase-out plans has pre-occupied EURACOAL members. In my country, the new Czech government promises to make best efforts to phase out coal by 2033. Germany's new traffic-light coalition government, following a general election in September 2021, was formed on the basis of an agreement in which coal is "ideally" phased out by 2030, not by 2038 as planned. Like other member states, Germany will have to consider energy security and grid stability when making its decision. Meanwhile, Poland reached a social agreement with trade unions that would see coal mining end before 2050.

As coal mining eventually comes to an end, the question of post-mining and a just transition will become more and more important. Greece was one of the first member states to submit a Territorial Just Transition Plan to the European Commission in 2021 and received positive feedback on its plan to phase out lignite-fired power generation by 2025. My own meetings in Brussels took place as soon as the Covid-19 travel restrictions were lifted and focused on State-aid questions with DG Energy and DG Competition, notably on the timeline of allowable aid for the closure of coal mines and coal power plants under the Climate, Energy and Environmental Aid Guidelines tabled in June 2021. The coal industry seeks a framework that provides sufficient planning security for the restoration and repurposing of its sites.

An important file that moved forward in 2021 was the EU Methane Strategy and a related Methane Regulation covering coal mine methane as well as fugitive methane emissions from the oil and gas sector. A workshop with the European Commission and other stakeholders on 15 March saw Dr. Jacek Skiba speak on behalf of EURACOAL. Later, on 11 November, EURACOAL was one of the first stakeholders following the Covid-19 pandemic to meet with the Commissioner for Energy, Kadri Simson. We discussed the impacts of the Methane Regulation on the coal sector, including what monitoring, reporting and verification (MRV) requirements might be manageable. On the Commission's proposal to mandate a ban on methane emissions from operating and abandoned underground coal mines, we made it clear that State aid would be needed to encourage methane capture and use projects as these are rarely commercial. In the case of methane in mine ventilation air, EURACOAL stated during the consultation process that safety must be the priority and highlighted that abatement technologies are unproven, so need to be first demonstrated at scale.

In 2021, we learnt what Fit-for-55 means for coal mining: end it as quickly as possible. At my meeting with the Commissioner for Energy, one might have expected a discussion on energy policy, and I tried to start such a discussion, but in fact she spoke only in terms of climate policy and the urgent need to act to prevent climate chaos.

By the autumn of 2021, energy prices were a cause for deep concern, especially the rising fossil gas prices and unseasonably low levels of gas in underground storage across the EU. In the European Parliament, Dr. Christian Ehler reminded other MEPs of the five pillars of the Energy Union, a project that began in 2015:

IV International Coal Conference in Kyiv

On 13 July 2021, a conference on "Coal regions of Ukraine: just transition and coal mining – Ukrainian and international experience" took place at the DTEK Academy in Kyiv. Experts from Ukraine and EU member states discussed the coal industry transition on the way to carbon neutrality with representatives of the Ukrainian government and large businesses, leaders of trade unions and directors of regional authorities.

In his opening address, Prime Minister Shmyhal noted that by sharing the values of the European Green Deal, Ukraine is taking meaningful steps towards its energy independence while reducing greenhouse gas emissions, gradually phasing out fossil fuels and lowering the carbon intensity of its industry. At the same, he envisaged a social transition of those towns and cities that depend on coal mining and power generation – a process in which the PM welcomed the active participation of the EU, World Bank and others.

Mr. Vladimír Budinský, EURACOAL President (right) and Mr. Stanislaw Tillich, German Federal Government Commissioner for Structural Change in the Ukrainian Coal-Mining Regions

EURACOAL President Budinský outlined the European Green Deal, including the impact on the coal sector of the Fit-for-55 package which was published the following day. Coming seventy years after the start of the European Coal and Steel Community was established in 1952, the envisaged change offered new prospects for the coal regions as power generation switched away from coal, he said. Mr. Budinský advised Ukraine "to focus on the future, innovate as quickly as possible, diversify your generation portfolio, invest in people, and keep all options open." On the energy transition – a "jump into the unknown"

Denys Shmyhal, Prime Minister of Ukraine

– Mr. Budinský did not predict the energy system of 2050, but promised it would be better, "just as our energy system today is better than it was in 1952 when King Coal dominated."

According to Mr. Ildar Salieiev, CEO of DTEK Energy, his company has been supporting coal communities to develop roadmaps for a just transition over the last few years. "DTEK fully shares the European values", he said, reiterating a point made earlier by the CEO of DTEK Group, Maxim Timchenko. With the support of DTEK Energy, Dobropillia was the first coal town in Ukraine to follow a path of economic diversification; he pointed to the forty or more projects aimed at creating new jobs in various sectors of the local economy. Mr. Salieiev added that the Dnipropetrovsk region was following the same path, again with DTEK's support.

A medal struck in honour of St. Barbara, the patron saint of miners, and awarded to EURACOAL President Vladimír Budinský at the IV International Coal Conference, Kyiv, 13 July 2021.

- energy security, solidarity and trust,
- a fully integrated European energy market,
- energy efficiency contributing to moderation of demand,
- decarbonising the economy, and
- research, innovation and competitiveness.

The last months of 2021 showed us the importance of the first two pillars in supplying secure energy at competitive prices. Historically high gas prices had a knock-on impact on the coal market, but coal remained the most stable of all the fossil fuels, as shown below by Anetta Piszczek in her EURACOAL Market Committee report. If governments want to shield their businesses and citizens from rising energy prices, then keeping coal in the mix helps. In the coming months and years, we will need to talk more about energy security. As countries become more reliant on intermittent renewables and imported gas looks to be less secure, energy security has risen up the political agenda. High gas prices before Christmas 2021 were moderated by some US liquefied natural gas (LNG), but the EU's LNG import capacity is insufficient to replace Russian gas.

Another important pillar of the Energy Union is research and innovation. The planned expansion of renewables will need to be accompanied by gas-fired power generation and new energy-storage technologies to balance the grid. EURACOAL members are well positioned to explore this market, with the people and skills relevant to the challenges ahead. The Research Fund for Coal and Steel (RFCS) will support bigger projects worth up to €38 million in 2022 under a call that was well prepared in 2021 by the European Commission and the Research Executive Agency. Prof. Alicja Krzemień's report on the activities of the EURACOAL Technical Research Committee, which she chairs, explains more about the modernised RFCS.

It was an honour to represent EURACOAL as the association's President in 2021. The Czech Republic will take over the rotating presidency of the EU in the second half of 2022 when we dearly hope to see a resolution to the conflict in Ukraine. I will continue to represent the interests of EURACOAL members with all my energy and with the great help of our Vice Presidents and committee chairs.

International climate policy developments in 2021

UN CLIMATE CHANGE CONFERENCE UK 2021

IN PARTNERSHIP WITH ITALY

At the 26th UN Climate Change Conference of the Parties (COP26) held in Glasgow from 31 October to 13 November 2021, world leaders agreed to **phase down (but not phase out)** unabated coal power and to end international coal financing – the first time a particular fossil fuel had been singled out under the UNFCCC.

The UK used its G7 Presidency to unite leading democracies in their support of a global recovery from the coronavirus and to **build back better** for a **greener, more prosperous future**. "To protect our planet", the G7 declared its support for a green revolution that creates jobs, cuts emissions and seeks to limit the rise in global temperatures to 1.5°C. The leaders committed to net-zero by 2050, halving emissions over the two decades to 2030, increasing and improving climate finance to 2025, and conserving or protecting at least 30% of our land and oceans by 2030.

COMMITTEE ACTIVITIES: Energy and Environment Policy Committee

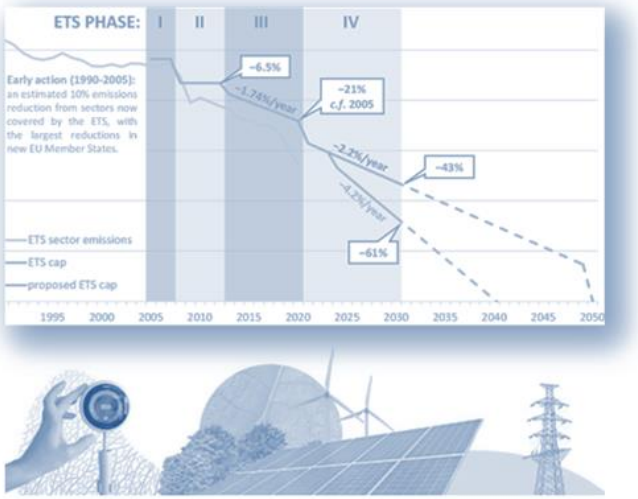
Dr. Thorsten Diercks, Chairman

The EURACOAL Energy and Environment Policy Committee deals mainly with energy, climate and environmental matters of concern to the coal sector, with a focus on EU policy initiatives and legislative proposals. Given the importance of member state policies, an exchange of views on these is another essential element of the committee's work. Issues are analysed, discussed and conclusions agreed on appropriate responses and actions. The Committee's position papers are used to inform opinion leaders and decision-makers in Brussels and beyond.

The Committee held two formal meetings in 2021, both online, working on the European coal industry's responses to the European Green Deal agenda promoted by the European Commission under the mandate of President von der Leyen. Most work was concentrated on the Fit-for-55 package, presented by the Commission on 14 July 2021, just a couple of days after a EURACOAL Executive Committee meeting in Kyiv. The Energy and Environment Policy Committee (EEPC) reacted very quickly, organising four dedicated workshops with deep discussions on EURACOAL's draft position. This radical and important overhaul of EU energy policy came in response to the European Climate Law which came into force at the end of July 2021 and lays down in law the 55% greenhouse gas reduction target for 2030. Other topics, such as the Industrial Emissions Directive, the EU Methane Strategy and the Just Transition Mechanism, continued to occupy the Committee as they all have an impact on the coal industry's future.

Fit-for-55 package

Of the seventeen proposals made by the European Commission on 14 July, the EEPC identified five that EURACOAL would focus on: a reform of the EU Emissions Trading System (ETS) Directive, changes to the Effort Sharing Regulation, a new Carbon Border Adjustment Mechanism, an amended Renewable Energy Directive (RED III) and revisions to the Energy Taxation Direction. On the EU ETS reform, members agreed that predictability would be the most important demand from the coal sector by enshrining into law the proposed re-basing and a new linear reduction factor, with no further changes for a period. On the Effort Sharing Regulation, members deplored the one-sided burden on industry as well as the lack of a specific socio-economic impact assessment on the individual member states. The Committee also criticised the proposal for a revised Energy Taxation Directive as energy taxes should be based solely on energy content of fuels (*n.b.* the EU ETS addresses carbon content). Members agreed to call for a careful phase-out of free EU ETS allowances and warned of the potential retaliatory measures of third countries in the case of the proposed Carbon Border Adjustment Mechanism. On the revision of the Renewable Energy Directive, the Committee cautioned against attempts to "label" electricity and other measures that would impede efficient cogeneration, including from gas and coal.



On 14 July 2021, the European Commission adopted a package of proposals to deliver on the targets agreed in the European Climate Law and so "revolutionise the economy and society for a fairer, greener and more prosperous future". Known as *Fit for 55*, the package aims to make EU climate, energy, transport, land-use and taxation policies fit for reducing net greenhouse gas emissions by at least 55% by 2030, compared with 1990 levels. Europe would then be on the way to becoming the world's first climate-neutral continent by 2050 – making the European Green Deal a reality.

Industrial Emissions Directive (IED)

On 27 January 2021, the Court of Justice of the European Union (CJEU) annulled a vote on the European Commission decision establishing conclusions on best available techniques (BAT) for large combustion plants (LCPs). The Court found that on 31 July 2017, the European Commission wrongly denied Poland the right to have a vote according to the Nice Treaty which member states had the right to request during a transitional period. (EURACOAL had itself brought a related case to the CJEU challenging the flawed BAT process.) The Commission appealed against this verdict but, in March 2022, the Court rejected this appeal, likening its absurdity to a Monty Python sketch.

The Court instructed the Commission to hold a new vote within twelve months, which it did on 29 October 2021 under Nice Treaty voting rules and secured the approval of more member states for the same, unamended BAT conclusions. As the political majorities in the Council of Ministers had changed since 2017, the CJEU verdict did not result in the changes sought by Poland (and EURACOAL). In practice, many utility companies have either invested in upgrades to their coal-fired power plants to meet the new BAT conclusions or closed them prematurely.

In preparation for a general revision of the IED in 2022, the Commission held a public consultation, a targeted stakeholder survey and a final workshop on 7 July 2021. The aim of the revision is to make the BREF process more dynamic and quicker, but there are also attempts to include mining into the directive, potentially leading to a mining BAT reference document and conclusions. EURACOAL and other industrial associations including EUROMINES oppose this idea as there are already comprehensive EU and national laws on the extraction of raw materials extraction (*e.g.* the EU Mining Waste Directive).

EU Methane Strategy

EURACOAL continued to work with the European Commission and other stakeholders on the EU Methane Strategy of October 2020 and the subsequent legislative proposal of December 2021.

CJEU finds in favour of Poland in case on large combustion plants

On 27 January 2021, EURACOAL welcomed the ruling of the Court of Justice of the European Union which found in favour of Poland in a case against the European Commission concerning voting irregularities when member states approved the conclusions of a revised Best Available Techniques Reference Document for large combustion plants. This finding vindicated EURACOAL's earlier legal action on the setting of emission limit for large combustion plants. Following an appeal by the Commission in April 2021, the Court reaffirmed its opinion on 10 March 2022. In his assessment of the Commission's appeal, Advocate-General Nicholas Emiliou writes: "Arguing that the interpretation of that [Protocol] provision, made by the General Court, would be contrary to the principle of democracy, or be capable of frustrating one of the objectives pursued by the drafters of the Treaty of Lisbon, reminds me of the Monty Python sketch where some hunters use machine guns, bazookas and artillery to kill a mosquito. Unlike the outcome in that sketch, however, this form of overkill does not seem to me to be a success."

Monty Python goes on a mosquito hunt

While EURACOAL welcomed this opinion, it offered no real remedy for a flawed decision. On 29 October 2021, the European Commission organised a new vote of member states after tabling the same BAT conclusions for large combustion plants as it had when the original vote was held back in 2017. With the passage of time, decisions had been taken and positions shifted such that member states voted in favour in what was the last-ever vote under Nice Treaty rules.

EURACOAL on the proposed EU Methane Regulation

The EU Methane Strategy, published by the European Commission in October 2020, covers several areas of human activity. For the energy sector, the focus is on fugitive emissions from oil and gas production, supply infrastructure and end use, rather than from coal mining. In light of the international nature of emissions from EU energy-supply chains, this is the right approach and the strategy should be used as a tool in climate diplomacy. In the case of methane from coal mines, EURACOAL highlighted, in a position paper dated April 2021, several actions at the EU level that would further encourage the mitigation of this methane, turning an environmental issue into a clean energy resource.

In December 2021, the Commission published a draft Methane Regulation which would place bans on the venting and flaring of methane from operating coal mines in the EU. These techniques are used to keep mines safe for mineworkers.

We support the aim of reducing methane emissions from the energy sector. As coal mining in the EU continues to decline, coal-related methane emissions are forecast to fall by 62% in the decade to 2030 according to the European Commission's own impact assessment. This far exceeds the Global Methane Pledge to collectively reduce methane emissions by 30% between 2020 and 2030 – a pledge announced by the US and EU on 18 September 2021.

EURACOAL regrets some of the provisions in the proposed Methane Regulation. If adopted, these would endanger the safety of mineworkers, force underground coal mines to close prematurely – notably in Poland and Slovenia – and so threaten EU energy security. Carefully prepared agreements on a gradual phase-out of coal mining would unravel, leading to serious socio-economic crises in the mining regions, rather than the promised just transition.

On measurement and verification:

- Verification of emission measurements should be conducted by the responsible national authorities with only routine inspections.
- There should be no additional special procedures for complaints concerning methane emissions over and above the procedures already open to complainants under civil law.
- There is no justification to grant the Commission delegated power to incorporate into EU law European or ISO standards which do not yet exist.

On operating underground coal mines:

- Safety must be given priority over methane releases at all operating mines to protect mineworkers from the risks of explosion.
- Mines forming part of a closure plan should be subject to different regulation. Operators can then install methane mitigation equipment that is appropriate also for the post-mining phase.
- Coal mines which do not form part of a closure plan should have enough time – at least five years – to implement the requirements of the proposed regulation.
- Mines producing predominantly coking coal should be granted an exemption for as long as coking coal remains on the list of EU Critical Raw Materials.
- Given the uncertainty on the future availability of technologies to capture and use ventilation air methane, it is premature to set a strict limit of 0.5 tonnes of methane per kilotonne of coal mined. An appropriate limit of 8 tonnes would be in line with current regulatory safety requirements and would halve the quantity of methane emitted via ventilation shafts.
- Member states should be free to provide incentives to capture coal mine methane.

On surface mines:

- Given that methane emissions from surface mines are known to be very low, operators should be free to apply average national emission factors according to national reports prepared for the UNFCCC.

On abandoned mines:

- The proposal to install new equipment at closed and abandoned underground coal mines,

including all those closed within the last fifty years, is unreasonable, disproportionate and uncosted. The Commission's proposed satellite monitoring will reveal any methane emissions which can then be tackled with proportionate measures at mines closed within the last twenty years.

- There should be no requirement for hourly measurements at abandoned mines that emit no methane.

EURACOAL President, Mr. Vladimír Budinský, met with the European Commissioner for Energy, Ms. Kadri Simson, in Brussels on 11 November 2021 to discuss an upcoming proposal to regulate energy sector methane emissions. He called for carrots, rather than sticks, so that the coal industry could move forward with projects to capture and use more methane while maintaining mine safety. The pair also had a valuable exchange of views on the Fit-for-55 package of legislative proposals.

On global methane emissions:

- The provisions to only encourage non-EU coal producers to reduce emissions are weak and inadequate. The proposed provisions would disadvantage EU coal producers by transferring production (and methane emissions) to third countries.

- Importers of coal to the EU should be obliged to provide only *de minimis* information when imports are sourced from non-EU countries that are signatories to the Global Methane Pledge and report emissions to the International Methane Emissions Observatory.

For EURACOAL, the regulation of methane is an ongoing issue of great concern that must now be resolved by EU lawmakers.

Earlier in the year, in March, EURACOAL participated in a workshop organised by the European Commission where we reiterated the coal sector's position:

- Methane emissions from underground coal mines would be curbed most effectively through an incentive-based approach.

- Surface lignite mines have near-zero methane emissions and should not be subject to additional monitoring and reporting requirements.

On 2 November 2021 during the UNFCCC COP26 meeting in Glasgow, the EU, the US and over one hundred countries signed a Global Methane Pledge, committing to a collective goal of reducing global methane emissions by at least 30% from 2020 levels by 2030. This international pressure, accompanied by strong activism by green NGOs, convinced the European Commission to pursue a radical approach in its proposed Methane Reduction. If adopted, the regulation would:

- prohibit, from 1 January 2025, the venting and flaring of drainage methane, and ban the venting of methane in coal mine ventilation air from 1 January 2027 except in the case of coking coal mines;

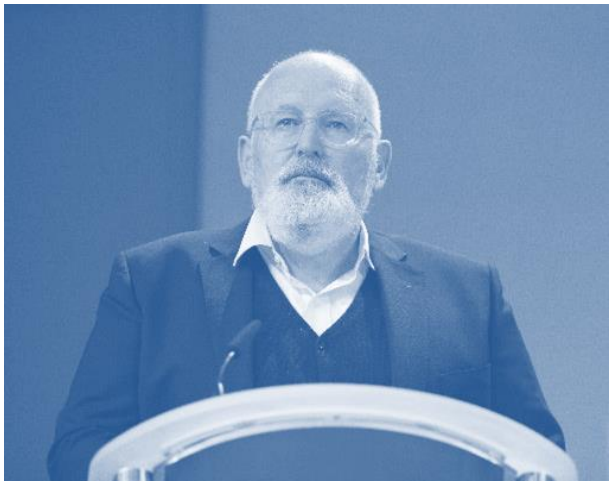
- impose extensive monitoring and reporting requirements for underground and surface coal mines, independently verified by accredited bodies and overseen by a national competent authority;

- ban the venting of methane from abandoned and closed mines from 2030.

EURACOAL will be active in 2022 to convince MEPs and other stakeholders that amendments are needed to prevent the premature closure of EU coal mines. This outcome would endanger energy security at a critical time and does not sit well alongside a just transition policy that aims to leave no one behind.

Just Transition Mechanism

After several years of debate and negotiation, 2021 finally saw the approval of the Just Transition Mechanism (JTM) to support coal regions in transition. The JTM is divided into three



European Commissioner and Executive Vice President for the European Green Deal, Frans Timmermans, at the press launch of the Fit-for-55 package, Brussels, 14 July 2021 © European Union

pillars, each approved by separate votes in the European Parliament:

- a €17.5 billion (in 2018 constant prices) Just Transition Fund (JTF);
- a dedicated just transition scheme under InvestEU; and
- a public-sector loan facility leveraged by the European Investment Bank (EIB).

In the European Parliament, many MEPs highlighted the need for investment in the former coal regions. In the adopted text, the JTF explicitly excludes fossil gas projects and, for member states that have not yet committed themselves to the EU's climate neutrality objective for 2050, JTF funding is cut by 50%. On the upside, the JTF may support a wide range of projects from education and research, through infrastructure development to SMEs and "productive investments in enterprises other than SMEs". Its final size of €17.5 billion is a welcome increase from the initial €7.5 billion proposed by the Commission, although EURACOAL had called for €20 billion.

The European Commission continues to negotiate with national and regional authorities in member states on their Territorial Just Transition Plans. Some member states have requested additional regions to be included. Once these plans have been approved by the European Commission, investment funds can flow.

EU Soil Strategy

On 17 November 2021, European Commission Executive Vice President Frans Timmermans presented a new EU Soil Strategy with several measures to improve soil quality, among them a new EU Soil Health Law in 2023. The Commission had previously announced its desire to update the EU Soil Thematic Strategy of 2006 and EURACOAL participated in stakeholder consultations. The European Parliament and Council helped prepare the ground: Parliament passed a resolution on soil protection in April 2021 calling for an EU-wide common framework, while ten agriculture ministers wrote to the Commission in November seeking a new legislative proposal. This should be compared with the situation in 2006 when the Commission's proposed EU Soil Directive was rejected by Council on subsidiarity grounds.

To address subsidiarity concerns, the new Soil Health Law would focus on the transboundary effects of soil pollution. Legal requirements for the sustainable use of soils would be set after extensive stakeholder consultations. A "passport for excavated soil" might reflect the quantity and quality of soils to ensure that they are transported, treated or reused safely elsewhere. Moreover, the EU might introduce a soil health certificate for land transactions to provide land buyers with information on soils.

While the main target of this strategy appears to be agriculture and construction waste management, mining practices might also be affected. The actual effects on coal mining will depend on the outcome of debate before 2023, this being the scheduled date for presentation of the draft Soil Health Law. EURACOAL will continue to participate in the stakeholder consultations, highlighting how national regulations have proven to be sufficient for the protection of soils affected by coal mining.

EURACOAL on the unintended consequences of the Aarhus Regulation

The UNECE Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters was adopted in June 1998 in the Danish city of Århus at a ministerial "Environment for Europe" conference. The Convention grants several environmental rights to the public (individuals and associations). Parties to the Convention are required to make the necessary provisions for public authorities to contribute to those rights. The Aarhus Regulation addresses the "three pillars" of the Aarhus Convention where those are of relevance to EU institutions and bodies.

Aarhus Convention
2020 – 2021

EURACOAL submitted its position paper on the Aarhus Regulation with a letter to the European Commission in which we warned against measures that risk slowing new investment in clean technologies. We explained that proposals to revise the Regulation would delay transformation of the EU energy system as interest groups challenge new developments of all types: every project could be argued to have a climate impact, and any NGO could claim to represent the environment.

EURACOAL supports equal access to justice. However, access should only be granted to those directly affected. Extending justice to all under the European Climate Law risks opening a Pandora's box whereby literally anyone can claim harm caused by others.

To transform the EU energy sector and economy, we need faster investment procedures, not slower ones. EURACOAL urged the Commission to renegotiate the UNECE Aarhus Convention, so that a better balance could be found between access to justice and a secure planning framework for clean-tech investment.

Turów lignite mine

The future of the Turów mine was secured by an agreement signed by Polish PM Mateusz Morawiecki and Czech PM Petr Fiala on 3 February 2022 at the Kramář Villa in Prague. Lying at the border with the Czech Republic and Germany, this opencast lignite mine has operated since 1904 and is of great importance to Polish electricity supply.

EURACOAL noted the decision taken in May 2021 by the Court of Justice of the EU to order, as an interim measure, the suspension of lignite extraction at Turów. This would have entailed significant environmental, social, technical and national security risks. The suspension of mining would not in itself solve the water management issue as pumping must continue during any idle period to protect the mine's structural integrity.

The new 500 MW unit at Turów power plant

COMMITTEE ACTIVITIES:
Market Committee

Anetta Piszczek, Chairwoman with a market report prepared by the EURACOAL secretariat

The aim of the Market Committee is to deliver accurate, consistent and timely data on the production, imports and consumption of hard coal and lignite in Europe, and to publish such data in regular market reports. These reports have a wide circulation beyond the EURACOAL membership and include, each year, the first aggregated annual data for the European Union.

In 2021, the committee held two meetings: an online videoconference in April and a hybrid meeting in October in Brussels. Members discussed agenda items on the impact of carbon prices on coal demand, in-depth investigations on State aid notifications related to coal and lignite, and energy security concerns stemming from high fossil gas, coal and carbon prices. By the October meeting, it had become apparent energy markets were in flux: fossil gas prices had increased fivefold within six months to 116 €/MWh (TTF) on 5 October – a record that was broken again in December 2021 and March 2022. Curtailment of some pipeline gas flows from Russia, a tight global LNG market and unseasonally low levels at gas storage sites in the EU had all contributed to this price shock. In response, the European Commission published a toolkit of measures that member states could use to alleviate the impact on consumers. Coal prices were similarly elevated as power utilities in Europe scrambled to secure fuel supplies. EURACOAL issued two coal market reports in 2021: one in May, accompanied by a "Coal in Europe" map, and another in November which covered the beginnings of the current energy crisis.

Coal industry developments in 2021 were dwarfed by the impact of Russia's invasion of Ukraine on 24 February 2022. This ongoing war has upended energy markets, especially in the EU where a ban on Russian coal imports from August 2022 and fast-changing energy policies have affected the market for all energy commodities. It will be some months before the coal market settles down with new patterns of trade, very different from recent years. The dominance of Russian coal and gas on the EU market will fade as sanctions take effect, with importers and consumers doing whatever is necessary to secure alternative supplies and reduce demand. The REPowerEU initiative on energy independence from Russia, published by the European Commission in March 2022, proposed measures related to gas supply and renewables. Later, the Commission proposed specific legislative measures and presented forecasts with increased coal use.

Over the two decades since EURACOAL was established in 2002, we have consistently highlighted the value of indigenous energy production. Now, more than ever, the EU must re-assess all energy options for a secure and sustainable future. In the meantime, our thoughts are with our Ukrainian members who find themselves on the front line of a war in Europe that the EU founders strived to avoid when they established the European Coal and Steel Community back in 1952.

World Coal Market Developments in 2021

Global hard coal production increased by around 5% to an estimated 7 400 million tonnes in 2021 as economies everywhere recovered from the Covid-19 pandemic. As in recent years, Asian coal production and consumption were strong in 2021. Coal production in China grew by 214 million tonnes or 5.6% – roughly equivalent to half of the EU's *total* coal consumption – to 4 026 million tonnes despite many lockdowns in response to the pandemic.

India, the second-largest coal producer, reported output of 773 million tonnes in 2021 as local producers competed well with imports. Indonesian production rose to 525 million tonnes of which 346 million tonnes were exported. US production grew to 524 million tonnes, helping to meet demand for power generation, but also a 25% growth in exports to 73 million tonnes. Despite an unofficial import ban imposed by China on Australian coal and other commodities,

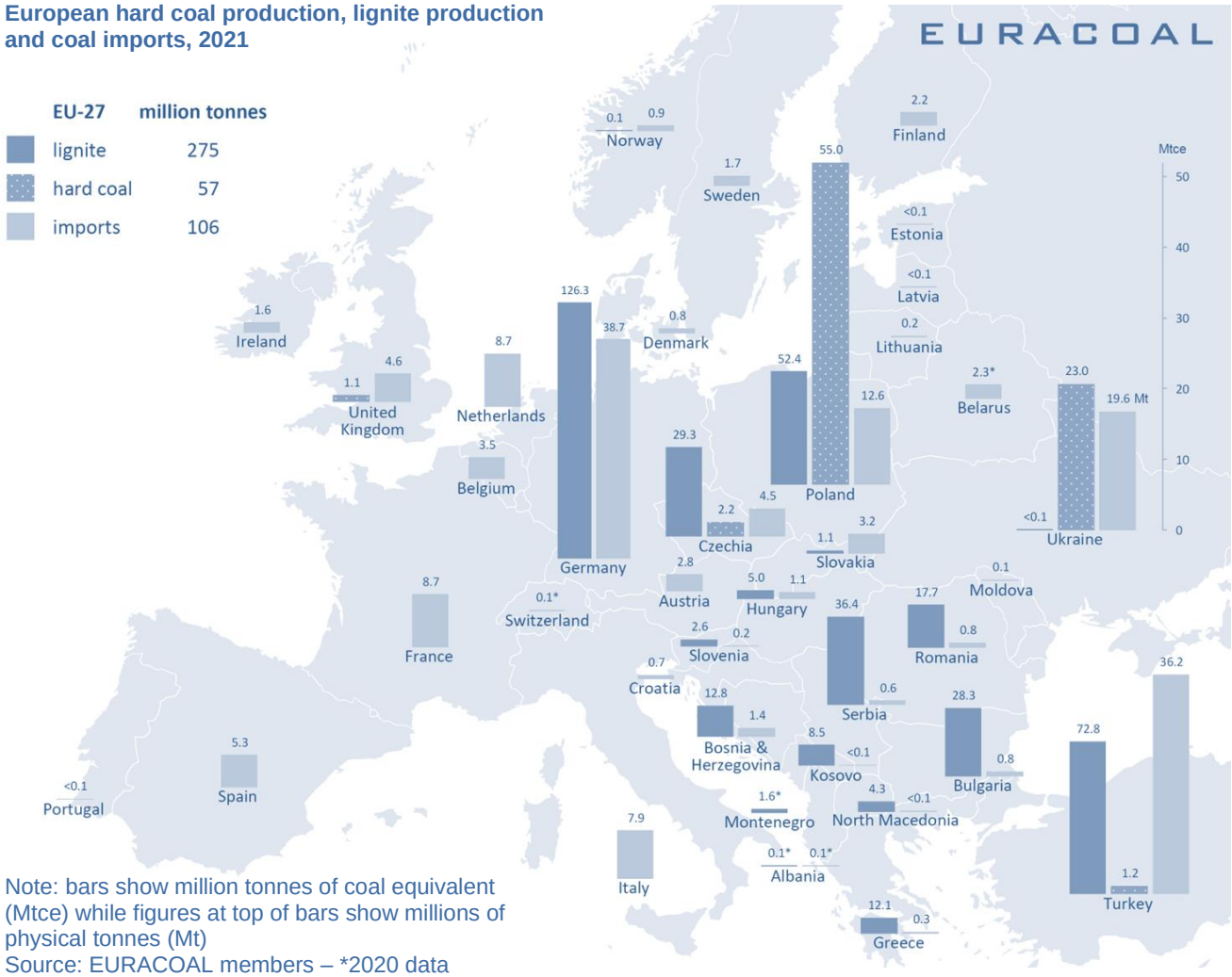
Australian coal production of 410 million tonnes in 2021 was just 10 million tonnes down from 2020. Russia benefitted from the changing pattern of coal trade in 2021, with production growing 9% to 437 million tonnes. Meanwhile, South Africa suffered from rail constraints and other problems such that its coal exports fell by 11.5% to 66.2 million tonnes while production fell to 229 million tonnes.

The impact on the international coal market of China's ban on Australian coal was less dramatic than originally feared. Coal trade reorganised with longer shipping distances, but Australia was able to find new customers for almost all its coal. International seaborne coal trade – steam and coking coal – grew 2% to 1 164 million tonne in 2021. Steam coal accounted for 77% of trade. At 266 million tonnes, coking coal trade was barely changed. Australian exports of coking coal fell 5% to 167 million tonnes, with the US and Russia enjoying growths of 9% or more as they picked up demand previously met by Australian exporters.

Coal imports into the EU, mostly via the ports of Amsterdam, Rotterdam and Antwerp (ARA), were strong in 2021, rising 17.2 million tonnes or 19.4% to 106 million tonnes, but still below the pre-pandemic level of 127 million tonnes in 2019. Overall, Russian coal imports accounted for an estimated 52.1% or 50.7 million tonnes of hard coal imports into the EU in 2021.

The Russian invasion of **Ukraine** on 24 February 2022 created a horrendous situation: Ukrainian energy companies have had to operate in an often-dangerous environment to maintain

European hard coal production, lignite production and coal imports, 2021



Note: bars show million tonnes of coal equivalent (Mtce) while figures at top of bars show millions of physical tonnes (Mt)
Source: EURACOAL members – *2020 data

supplies. It is a testament to those working at companies such as DTEK that electricity has continued to flow to consumers across Ukraine. The country's coal production was 23.0 million tonnes in 2021, a 3.4% increase of saleable coal output compared with 2020. DTEK and other private mining companies accounted for more than 80% of this production, with subsidised state-owned mines accounting for the remainder. Ukraine was a net importer of coal in 2021 with no exports: 19.6 million tonnes were imported (of which 11.5 million tonnes coking coal), 14.2% lower than in 2020.

European Union Coal Market in 2021

EU hard coal production grew 1.2% in 2021 to 57 million tonnes compared with 2020, falling well short of the 65 million tonnes produced in 2019. Lignite production in the EU rose 12.5% to 275 million tonnes in 2021 compared with 2020. However, this was not a return to pre-pandemic levels as lignite output in 2021 was 10.7% below the 2019 production of 308 million tonnes.

Lignite production in **Bulgaria** jumped by 27.0% in 2021, compared with 2020, to 28.3 million tonnes and so exceeded the pre-pandemic output of 28.0 million tonnes in 2019. Poland was the only other lignite-producing member state to make such a dramatic recovery.

Hard coal production in the **Czech Republic** increased by 3.0% in 2021 compared with 2020 to reach 2.2 million tonnes while imports rose by 39% to 4.5 million tonnes. Czech brown coal production was stable in 2021, falling only slightly to 29.3 million tonnes and mostly used for lignite-fired electricity generation which had a 37% share of total generation in 2021.

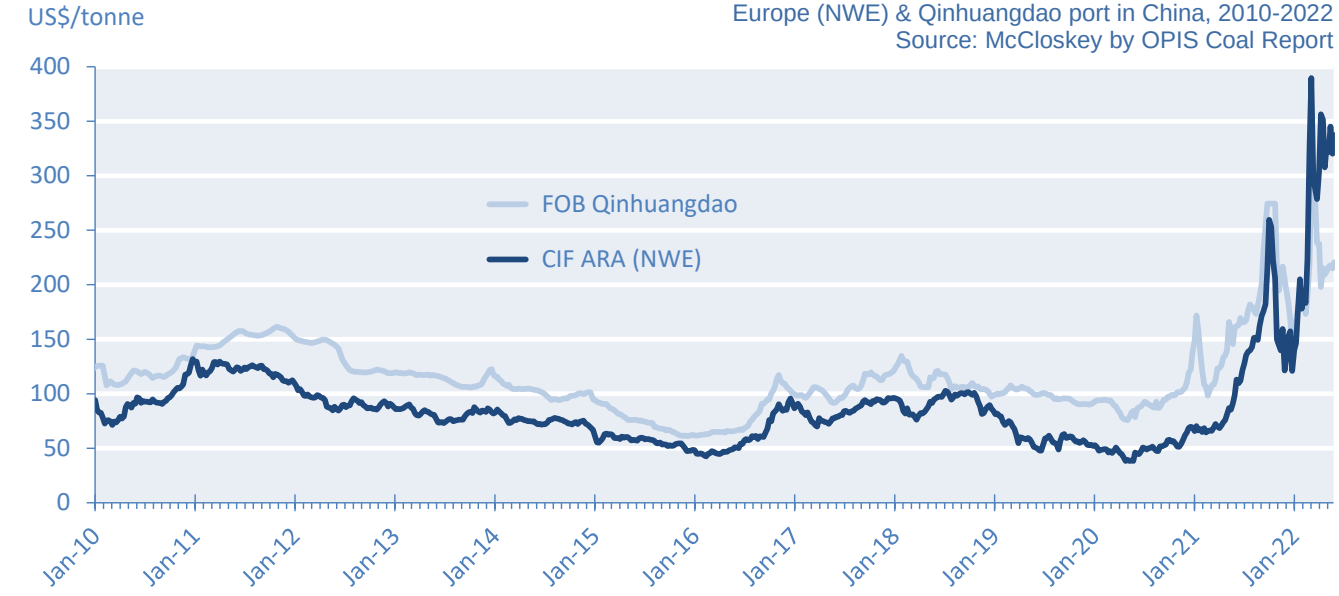
Hard coal imports into **Germany** increased by 30.3% in 2021 to 38.7 million tonnes, comprising 26.8 million tonne of steam coal and 11.9 million tonnes of coking coal. Despite this impressive growth, imports fell short of the 40.3 million tonnes of 2019. Electricity production from hard coal increased in every single month of 2021 to give an overall increase of 28.2% compared with 2020. This was the result of high fossil gas prices and low wind output. Lignite production rose 17.6% to 126.3 million tonnes in 2021. Coal and lignite account for 28.1% of power generation (18.8% lignite, 9.3% hard coal). The lignite phase-out plan is on schedule for 2038 under the Coal Exit Law, although the German traffic-light government's coalition agreement (SPD, FDP and The Greens) suggests earlier, "ideally by 2030" assuming RES grow quickly to an 80% share and 20-40 GW of gas-fired capacity is built. Given the current situation, extending coal use and delaying the exit of coal plants from the 2.7 GW security standby reserve are under discussion.

The Public Power Corporation (PPC) in **Greece** produced 11.8 million tonnes of lignite in 2021. Small producers accounted for the rest of the country's 12.1 million tonnes total lignite production. Electricity generation from lignite was 5.3 TWh in 2021 – a 10.4% share of the total. The share of indigenous power production fell to 47% in 2020, continuing a long-term trend that reversed in 2021 as the share bounced back to 52% and is forecast to grow again in 2022.

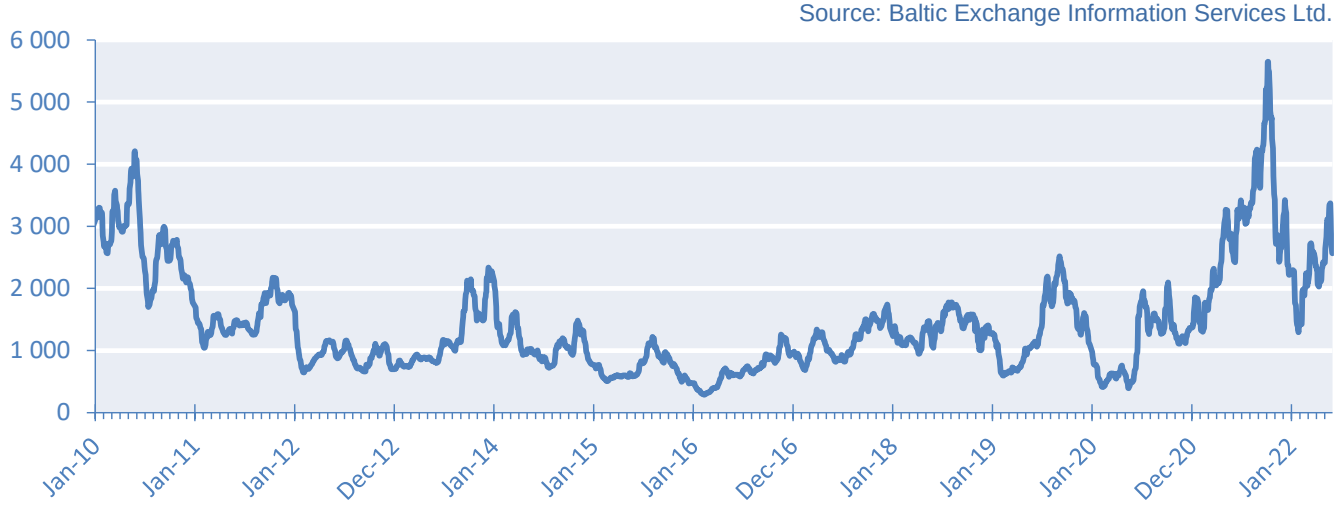
Coal imports for domestic use in **the Netherlands** grew by 43.8% in 2021 to reach 8.7 million tonnes in total: 4.7 million tonnes of steam coal plus 4.0 million tonnes of coking coal. Coal imports declined significantly between 2015 and 2020, from 12.4 million tonnes to 6.0 million tonnes, but bounced back in 2021 with greater demand for electricity generation.

In **Poland**, hard coal production from the twenty-one mines in operation increased by 1.1% to 55.0 million tonnes in 2021: 42.4 million tonnes of steam coal and 12.6 million tonnes of coking coal. Total coal exports grew sharply to reach 5.8 million tonnes (+32%). At the same time, imports of hard coal fell only slightly to 12.6 million tonnes, so Poland remained a net coal importer. Given the current situation, the Polish government discusses the possibility of increasing hard coal production and use. Polish lignite production increased by 13.6% in 2021 to 52.4 million tonnes: 38.4 million tonnes from Bełchatów mine and the remainder mostly from the Konin and Turów mines. Recovery from the Covid-19 pandemic and a collapse in electricity imports resulted in strong demand for power

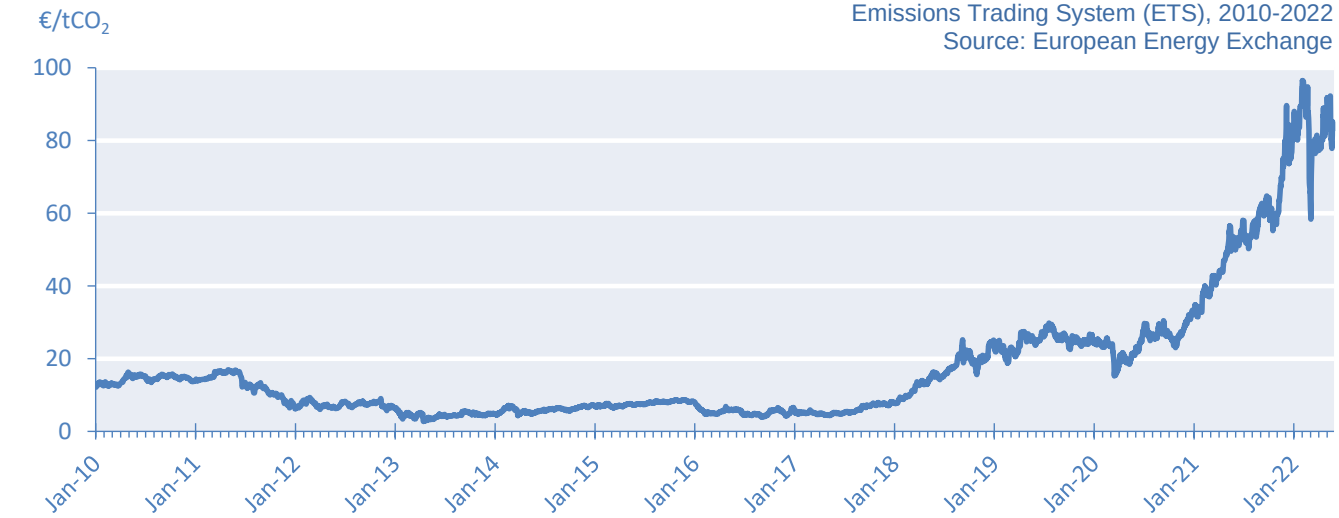
Steam coal import prices at ARA ports in northwest Europe (NWE) & Qinhuangdao port in China, 2010-2022
Source: McCloskey by OPIS Coal Report



Baltic Dry Index (BDI) 2010-2022
Source: Baltic Exchange Information Services Ltd.



Carbon prices: allowance prices under the EU Emissions Trading System (ETS), 2010-2022
Source: European Energy Exchange



generated from all sources, with hard coal- and lignite-fired generation increasing by 18.7% to take a 70.9% share in electricity generation.

Lignite production in **Romania** rose by 18.2% in 2021 to 17.7 million tonnes as electricity demand bounced back following the economic impact of the Covid-19 pandemic. On 26 January 2022, the European Commission approved, under EU State aid rules, Romania's plans to grant Complexul Energetic Oltenia restructuring aid of up to €2.66 billion. The measure will enable the lignite mining and power generation company to finance its restructuring plan and restore its long-term viability. This is important as Oltenia's 3 240 MW of lignite-fired power plants meet around 20% of Romanian electricity demand. The restructuring plan aims to replace lignite-based electricity production with electricity produced from fossil gas and renewables (solar PV and hydro).

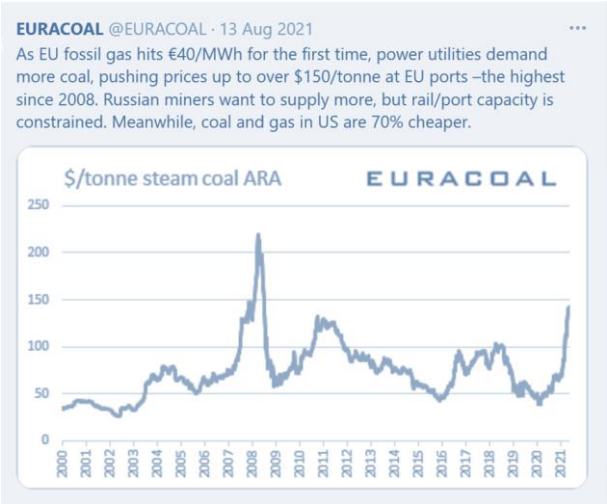
In 2021, 1.1 million tonnes of brown coal were produced in **Slovakia** at the country's three active underground coal mines, even though one of them was closed in November 2021. State aid granted to domestic energy sources will end in December 2023, meaning the closure of the remaining coal mines and adjacent power plants – two 110 MW blocks are operating. The lost production will be replaced with two new 471 MW blocks at the Mochovce nuclear power plant.

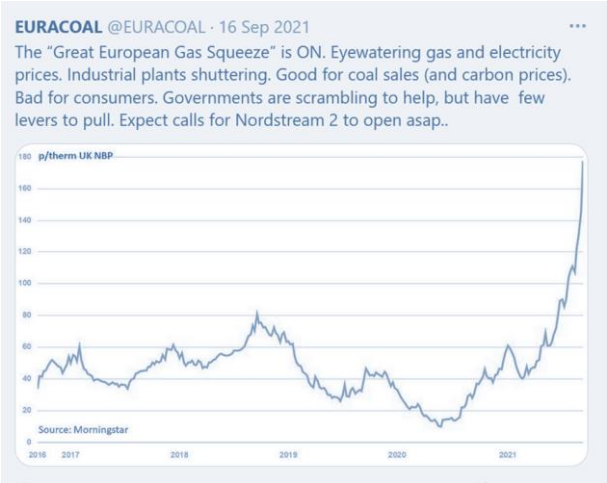
Slovenia enjoys balanced shares of hydro, nuclear and fossil fuels for power generation. Lignite coal usually covers around one third of electricity production, but up to one half when annual precipitation and hence hydro output are low. In 2021, electricity production from the lignite-fired Termoelektrarna Šoštanj (TEŠ) decreased by 10% and only 2.6 million tonnes of lignite were mined, 17.7% less than in 2020. Despite a 2033 coal phase-out date, several open questions remain on the future of the new TEŠ unit 6 and the replacement of the country's only nuclear power plant at Krško.

Coal Prices

In 2021, the average price of steam coal imported into NW European ports was USD 118.38/t, a 135% increase on 2020 when the average price was relatively low at USD 50.28/t due to the Covid-19 pandemic. On 5 October 2021, coal prices peaked at USD 298.60/t CIF at ARA ports as Europe prepared for a winter with unusually low fossil gas stocks and very high gas prices. Coal prices then dropped as the Chinese government took steps to moderate prices, but with little change to actual global coal supply. However, coal prices in China were consistently higher in 2021 than elsewhere: steam coal for export at Qinhuangdao port averaged USD 163.60/t and the Chinese domestic market was similarly priced. The outbreak of hostilities in Ukraine on 24 February 2022 saw already high steam coal prices skyrocket, to reach an all-time historic high of USD 417.57/t on 9 March. Although prices have since retreated, they remain around USD 300/t – a level that means steam coal should be considered, like coking coal, a critical raw material in the EU.

On the coking coal market, prices rose in 2021, partly because China prioritised steam coal shipments. High-quality Australian low-vol coking coal began the year at USD 103.00/t FOB and closed the year at USD 346.00/t, a 236% increase. This trend has continued in 2022, with the price rising to USD 654.20/t in March.





Freight Rates

Seaborne coal trade flows are dominated by Asian demand: Indonesia was almost entirely focussed on supplying China and other countries in the region in 2021, while Australia looked further afield to find a market for coal of all types previously supplied to China. Less than 15% of seaborne coal trade finds its way to European or Mediterranean countries where Germany was the biggest importer in 2021, followed by Turkey. Longer shipping distances mean freight rates for coal have risen: in 2020, the average rate for Capesize vessels on the Richards Bay – Rotterdam route was USD 6.40/t; in 2021, this increased by 120% to USD 14.00/t; and at the end of March 2022 it stood at USD 16.75/t. Similar rates have been seen on the Puerto Bolivar, Colombia – Rotterdam route, whereas rates from Australian ports to Rotterdam have been USD 5/t to USD 10/t higher.

The Baltic Dry Index (BDI) averaged 2 943 in 2021 – 76% higher than in 2020 and ranging from 1 303 in February to 5 650 in October. The index is a weighted composite of Capesize (40%), Panamax (30%) and Supramax (30%) average time-charter rates and is reported as a proxy indicator for the dry bulk shipping market.

Carbon Prices

The price of EU emission trading system allowances averaged 53.62 €/tCO_2 in 2021 – a 117% increase on the average carbon price in 2020 – rising from a low in mid-January 2021 of 31.54 €/tCO_2 to a high of 89.60 €/tCO_2 during the first week of December 2021 in reaction to market and political developments. This was the highest price seen for allowances since the trading scheme or system began in January 2005. The main driver for this rise has been high fossil gas prices which has created a greater demand for coal-fired power generation and hence a greater demand for carbon allowances. In 2022, allowance prices continued to increase, peaking at 96.43 €/tCO_2 on 4 February. While the war in Ukraine drove up energy commodity prices, EU carbon allowance prices collapsed to 58.36 €/tCO_2 on 7 March, perhaps because they offered liquidity to those who needed cash to pay for fuel purchases or margin calls on their positions in the energy market.

Initiative for coal regions in transition under the Just Transition Platform

The Just Transition Platform meetings on 26 to 29 April 2021 and 15 to 17 November 2021 included the third and fourth Coal Regions in Transition Virtual Weeks and a Carbon-intensive Regions Seminar. The Just Transition Mechanism and the related Just Transition Fund (JTF) were of most interest to the thousand or more participants joining online from across Europe, including EURACOAL members.

Nicola de Michelis (left), Director for Smart and Sustainable Growth and Programme Implementation IV at DG REGIO, Commissioner for Cohesion and Reforms, Elisa Ferreira (centre), and Commissioner for Energy, Kadri Simson (right) at the Just Transition Platform meeting, Brussels, 26 April 2021.

At the November meeting, the European Commission announced that it had received four Territorial Just Transition Plans, but had yet to approve any. Other member states were urged to submit quickly.

At the official opening, the European Commissioner for Energy, Kadri Simson, expressed her delight that Bulgaria and Romania were now negotiating concrete timelines for coal phase-outs, "all the while paying attention to security of supply and a socially just transition". Referring to recent developments in the energy markets, she delivered this message: "Let me be clear, there will be no pause on green transformation!" She announced her intention that, in the future, the Commission might also cover carbon-intensive regions beyond the current coal regions (see map below). This could see the oil and gas sector added to the initiative.

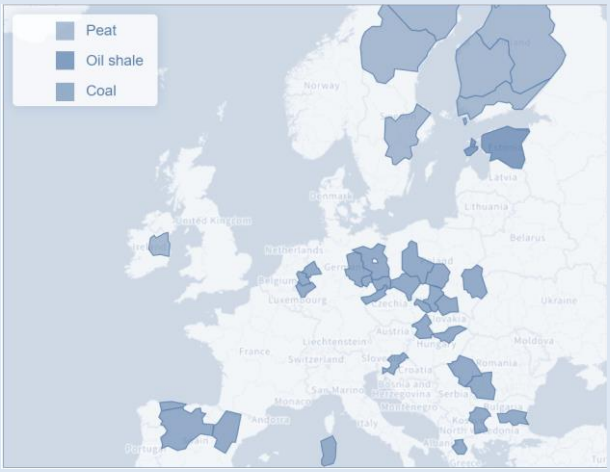
Marc Lemaître, Director-General of DG Regional and Urban Policy (DG REGIO), conveyed four key messages on the current state of the Just Transition Mechanism:

1. "There is no time to lose." Member states should prepare their Territorial Just Transition Plans as soon as possible.

2. Territorial Just Transition Plans need to have a clear trajectory, identify economic and social impacts, and indicate comprehensive actions to be taken.

3. The Just Transition Mechanism should serve as additional funding, so not replace or reduce existing cohesion support in the affected regions.

4. Stakeholder engagement is key: processes need to be inclusive and participatory, with special attention paid to younger voices.



Map showing EU coal, peat and oil shale regions. These regions are defined by the European Commission's Joint Research Centre as NUTS-2 regions of the EU with over one hundred jobs in coal, peat or oil shale extraction in 2018.

Ref. Webtools + Leaflet | © OpenStreetMap contributors © GISCO. Credit: EC-GISCO, © EuroGeographics © UN-FAO for the administrative boundaries.

COMMITTEE ACTIVITIES:
Technical Research Committee
Prof. Alicja Krzemień, Chairwoman

The Technical Research Committee was established in 1956 and has met regularly for over sixty years, as a EURACOAL committee since 2002. The committee provides networking opportunities for EURACOAL members and others interested in submitting proposals to the research programmes supported by the European Union. In addition, it advocates for favourable policies towards those areas of research that benefit the European coal industry and regions.

The Technical Research Committee met twice in 2021, on 5 July and on 9 December, with participants joining remotely. The most important news for committee members came on 19 July 2021, when the Council of the European Union approved the final two elements of the Research Fund for Coal and Steel (RFCS) modernisation package, namely the financial guidelines and measures to implement Protocol 37 of the Treaty on the Functioning of the European Union. Amendments proposed in a EURACOAL position paper did not feature in the final legislative texts, despite efforts in the European Parliament, as the European Commission was required only to consult parliament during the special legislative process that applies to amendments of the protocol. The two Council Decisions were published in the Official Journal of the European Union on 22 July and came into force twenty days later, thus completing the administrative steps to modernise the RFCS.

EURACOAL congratulated the European Commission on reaching the end of what had been a long and complex process. The RFCS is a fund comprising the remaining assets from past levies on the coal and steel industries, so it is fitting that the fund continues to support the transition of these important industries.

While the European Commission is legally responsible for managing the RFCS research programme, this task has been delegated to the Research Executive Agency (REA), resulting in an approach that closer resembles management of the Horizon Europe research programme. Each year, €10.9 million will be available for coal-related research projects under the modernised RFCS research programme, plus €19.3 million for larger, coal-related "big-ticket" projects. Further changes, as outlined in the technical guidelines published in the Official Journal on 5 July 2021, concern application procedures, call structures and three new focus areas:

- supporting the just transition of the coal sector and regions,
- improving health and safety in mines in the process of closure or already closed, and
- minimising the environmental impacts of coal mines in transition.

As the modernisation package was only approved in July, the 2021 RFCS annual call was held under the old legal basis and none of the fund's capital could be disbursed, only its interest. Hence, the overall budget was reduced to €11 million (down from €60 million), with just €3 million for coal research. This resulted in a lower number of proposals. The 2021 annual priority was "emerging and innovative technologies supporting coal regions in transition, contributing to the objectives of the European Green Deal" which reflected the future objectives of the research programme under the new legal basis. Three coal projects were recommended for funding: WINTER on regional transition, POMHAZ on managing risks linked to abandoned mines, and GreenJOBS on the job creation potential of mine-site repurposing.

During the Technical Research Committee meeting on 9 December, EURACOAL members had the opportunity for an exchange of views with Rosalinde van der Vlies, Director – Clean Planet at the European Commission Directorate General for Research and Innovation. Ms. van der Vlies is responsible for the RFCS research programme and members were keen to discuss the new "big-ticket" call and encourage the Commission to publish call details as early as possible. Director van der Vlies heard about potentially very interesting and strategic projects on coal mine methane and mine water use, among others. She responded by stressing the need for industry to

collaborate with the European Commission, including via EURACOAL and the RFCS Coal Advisory Group. Ms. van der Vlies considered it important to link research projects to business development and hence saw the need to accelerate research and invest in projects at scale that can be commercialised.

On 7 and 8 April 2021, the GIG Research Institute in Poland hosted a EURACOAL workshop on the TGK1 and TGK2 areas of research under the RFCS research programme. The workshop was a great success with very good participation as many members joined online. Thirty-five research ideas were presented, later forming eleven clustered proposals. This workshop again demonstrated the benefits and future opportunities of the hybrid workshop format, adopted out of necessity during the Covid-19 pandemic.

EURACOAL continued to participate in the Coal Regions in Transition Platform, including virtual weeks alongside the Just Transition Platform. As a second-circle member of the Horizontal Stakeholder Strategy Working Group, EURACOAL was given the opportunity to participate in the early stages of activities supported under the Just Transition Mechanism (JTM) to decarbonise carbon-intensive industries. The terms of reference of the working group include the following aims:

- to provide support to the European Commission in identifying and developing inclusive approaches to transition;
- to find solutions and tools to tackle local challenges and mitigate the adverse effects of transition processes horizontally for all regions most affected by the transition;
- to promote actively the establishment and the strengthening of the stakeholder network and to drive the exchange of best practices among all parties involved in the process; and
- to share knowledge on the social impact and human dimension of transition towards a carbon-neutral future across all segments of society.

The working group includes representative of the coal research community. Given the desire for change and the opportunities that are now available at the EU level, EURACOAL is confident that imaginative research will deliver the solutions demanded by policymakers.

Re-purposing Coal Power Plants during Energy Transition (RECPP)

RECPP, a RFCS-funded project on the re-purposing of coal power plants, opens new perspectives for coal regions in transition beyond coal phase-out. Re-purposing of closed or end-of-life coal-related assets contributes to the economic, social and environmental development of the coal regions in transition. It provides coal communities with feasible re-use options for development, supports industry to innovate and triggers investments in environmentally friendly technologies.

RECPP has mapped and screened potential sites across the EU. Existing assets and commitments have been taken into account, such as steam supply to nearby industry. At the same time, sustainable solutions for infrastructure re-use have been compiled and assessed in terms of the circular economy and sector coupling. Solutions such as renewable energy production, geothermal energy supply, hydrogen-related projects, and thermal energy storage, have been considered. In line with the European Green Deal, special emphasis is given to innovative and emerging technologies supporting coal regions in transition.

The two-year project with thirteen utility and research partners led by vgbe began in 2020 and concluded with a major workshop in June 2022.

EURACOAL ACTIVITIES: serving the interests of the European coal industry

The European Association for Coal and Lignite – EURACOAL – is the umbrella organisation of the European coal industry. EURACOAL evolved in 2002 from the European Solid Fuels' Association – CECSO – after the expiry of the Treaty establishing the European Coal and Steel Community.

EURACOAL has twenty-three members including national coal associations, research institutes and individual companies. Members come from twelve countries: Bosnia-Herzegovina, the Czech Republic, Germany, Greece, Hungary, Poland, Romania, Serbia, Slovakia, Slovenia, Spain and Ukraine.

EURACOAL's mission is to highlight the importance of coal to security of energy supply in the EU, to energy price stability, to economic added value and to environmental protection. EURACOAL seeks to be an active communicator, with the aim of creating an appropriate framework within which the European coal industry and coal consumers can operate.

EURACOAL has three committees:

- Energy and Environment Policy Committee
- Market Committee
- Technical Research Committee

EURACOAL is officially represented in the European Commission RFCS Coal Advisory Group (DG Research & Innovation).

EURACOAL participates in the European Commission Social Dialogue (DG Employment, Social Affairs & Inclusion).

EURACOAL supports the European Commission initiative for *Coal Regions in Transition* (DG Energy and DG Regional & Urban Policy).

EURACOAL co-operates with Members of the European Parliament in the cross-party European Round Table on Coal and European Energy Forum.

EURACOAL organises meetings and workshops, and participates in projects, *e.g.* CoalTech2051.

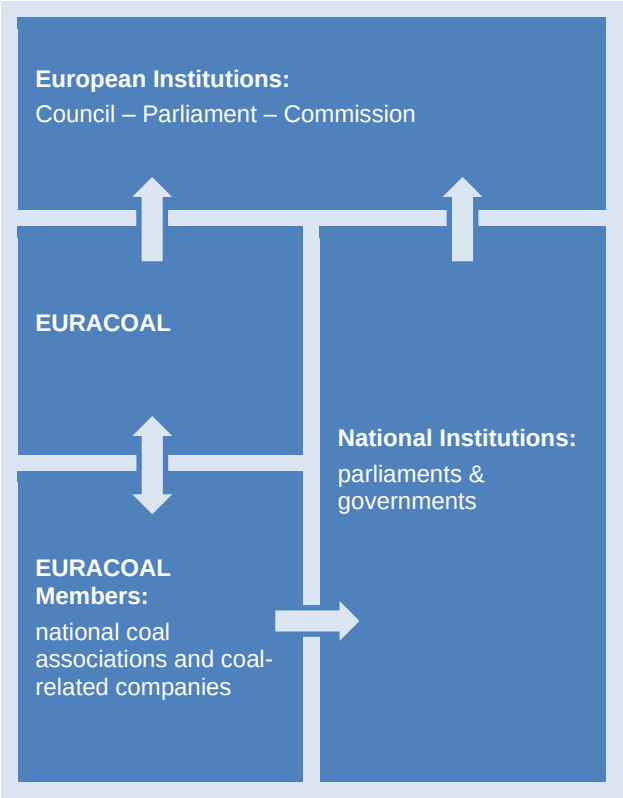
EURACOAL informs and works with many stakeholders, notably:

- European Commission (DG Competition, DG Energy, DG Research & Innovation and DG Employment, Social Affairs & Inclusion)
- European Parliament (ITRE, ENVI and REGI committees)
- European Economic & Social Committee (CCMI – Consultative Commission on Industrial Change)
- International Energy Agency
- World Coal Association

FINANCIAL REPORT FOR 2021

Total income (a):	342 320 €
membership fees:	341 450 €
Other income:	870 €
Total operating costs & write-downs (b):	343 717 €
Net loss (a – b):	-1 397 €

Accounts for 2021, prepared on the basis of Belgian accounting standards, were audited by RSM InterAudit. The income statement shows a net loss of €1 397 for the year and total assets amounted to €452 215 at year end.



General Assembly
coal producers, importers, traders, coal-based power utilities, R&D institutes

Executive Committee
discussions, opinion forming, work programme, lobbying positions

President
Ing. Vladimír Budinský – ZSDNP

Senior Vice President
Dr. Tomasz Rogala – PGG

Vice Presidents
Dr. Lars Kulik – DEBRIV
Mr. Andrzej Legeżyński – PPWB

National Delegations
23 members from 12 countries

Brussels Secretariat
Secretary-General: Mr. Brian Ricketts
Policy Manager: Mr. David Bonson-Hesener

Committees & Chairs
Energy and Environment Policy Committee
Dr. Thorsten Diercks – DEBRIV
Market Committee
Ms. Anetta Piszczek – Węglokoks S.A. (GIPH)
Technical Research Committee
Prof. Alicja Krzemień – GIG

EXECUTIVE COMMITTEE

Member	Country	Affiliation	as at 1 June 2022
Ing. Vladimír BUDINSKÝ	Czech Republic	President of EURACOAL and President of ZSDNP – Zaměstnavatelský svaz důlního a naftového průmyslu (Employers' Association of Mining and Oil Industries)	
Dr. Tomasz ROGALA	Poland	Senior Vice President of EURACOAL and Chairman of the Board, PGG – Polska Grupa Górnicza S.A.	
Dr. Lars KULIK	Germany	Vice President of EURACOAL and Chief Technology Officer – Lignite, RWE Power AG	
Mr. Andrzej LEGEŻYŃSKI	Poland	Vice President of EURACOAL and President of the Management Board, PGE Górnictwo i Energetyka Konwencjonalna S.A.	
Mr. Yurii CHEREDNICHENKO	Ukraine	General Director, DTEK Dobropolyeugol	
Ms. Lacramioara DIACONU	Romania	Director for Strategy, Complexul Energetic Oltenia S.A. (Oltenia Energy Complex)	
Dr. Armin EICHHOLZ	Germany	Chairman of the Board, MIBRAG mbH	
Dr. Renata EISENVORTOVÁ	Czech Republic	European Affairs Manager, Sev.en Energy Group	
Ms. Boglárka BÁNNÉ dr. GÁL	Hungary	President of Borsod-Abaúj-Zemplén County Government	

Mr. Milan JAKOVLJEVIĆ	Serbia	Head of Mining Efficiency Improvement and Environmental Protection, EPS – Elektroprivreda Srbije (Electric Power Industry of Serbia)
Ing. Rastislav JANUŠČÁK	Slovak Republic	Director of Strategy and External Affairs Department, HBP – Hornonitrianske bane Prievidza, a.s.
Dr. Nikolaos KOUKOUZAS	Greece	Director of Research, CERTH/CPERI – Chemical Process & Energy Resources Institute
Dr. Roger MIESEN	Germany	Chief Executive Officer & Chief Operating Officer, RWE Generation SE
Dr. -Ing. Philipp NELLESSEN	Germany	President, DEBRIV – Deutscher Braunkohlen-Industrie-Verein e.V. (German Association of Lignite Producers) and Member of the Board – Director of Mining, LEAG – Lausitz Energie Bergbau AG & Lausitz Energie Kraftwerke AG
Mr. Janusz OLSZOWSKI	Poland	President, GIPH – Górnicza Izba Przemysłowo-Handlowa (Mining Chamber of Industry and Commerce)
Mr. Rafał PATYK	Poland	Director of Investor Relations, PGG – Polska Grupa Górnicza S.A. (Polish Mining Group)
Prof. Stanisław PRUSEK	Poland	Director, GIG – Główny Instytut Górnictwa (Central Mining Institute)
Dr. Janez ROŠER	Slovenia	General Director, Premogovnik Velenje, d.o.o. (Coal Mine Velenje)
Dr. Christos ROUMPOS	Greece	Head of Mining Engineering Unit, PPC – Public Power Corporation S.A.
Mr. Ildar SALIEIEV	Ukraine	Chief Executive Officer, DTEK Energy
Mr. Elvir SALIHOVIĆ	Bosnia-Herzegovina	Chief Executive, RMU “Banovići” d.d. Banovići
Ing. Radim TABÁŠEK	Czech Republic	Executive Director, OKD, a.s.
Prof. Dr. rer. oec. Kai VAN DE LOO	Germany	Scientific Director Reactivation and Transition, Technische Hochschule Georg Agricola (Technical University Georg Agricola)
Mr. Konstantin VYALY	Ukraine	Chief Executive, Officer, Donetsksteel
Mr. Artur WASIL	Poland	President of the Board, Lubelski Węgiel „Bogdanka” S.A.
Mr. Michael WEBERINK	Germany	Managing Director, BSN – Branchenverband Steinkohle und Nachbergbau e. V. (Association for Hard Coal and Post-Mining)
Mr. Sławomir WOCHNA	Poland	President, PPWB – Porozumienie Producetów Węgla Brunatnego (Confederation of Polish Lignite Producers) and Director – Kopalnia Węgla Brunatnego Turów, PGE GiEK S.A.
Ms. Agata ZIELIŃSKA	Poland	Director of Administration and International Cooperation, GIPH – Górnicza Izba Przemysłowo-Handlowa (Mining Chamber of Industry and Commerce)

EURACOAL MEMBERS & OBSERVERS: an international partnership

Country	Member Association / Company	as at 1 June 2022
Bosnia-Herzegovina	RMU "Banovići" d.d. Banovići	
Bulgaria	MMI – Mini Maritsa Iztok EAD	
Czech Republic	ZSDNP – Zaměstnavatelský svaz důlního a naftového průmyslu (Employers' Association of Mining and Oil Industries)	
Germany	DEBRIV – Deutscher Braunkohlen-Industrie-Verein e.V. (German Association of Lignite Producers)	
	DMT GmbH & Co KG	
	BSN – Branchenverband Steinkohle und Nachbergbau e. V. (Association for Hard Coal and Post-Mining)	
Greece	PPC – Public Power Corporation S.A.	
	CERTH/CPERI – Chemical Process and Energy Resources Institute	
Hungary	Borsod-Abaúj-Zemplén County Government	
Poland	GIPH – Górnicza Izba Przemysłowo-Handlowa (Mining Chamber of Industry and Commerce)	
	PPWB – Porozumienie Producetów Węgla Brunatnego (Confederation of Polish Lignite Producers)	
	PGG – Polska Grupa Górnicza S.A. (Polish Mining Group)	
	Lubelski Węgiel „Bogdanka" S.A.	
	GIG – Główny Instytut Górnictwa (Central Mining Institute)	
	IMG-PAN – Strata Mechanics Research Institute, Polish Academy of Sciences	
	KOMAG Institute of Mining Technology	
Romania	PATROMIN – Asociaţia Patronală Minieră din Romania (Mining Employers Association of Romania)	
Serbia	EPS – Elektroprivreda Srbije (Electric Power Industry of Serbia)	
Slovak Republic	HBP – Hornonitrianske bane Prievidza a.s.	
Slovenia	Premogovnik Velenje d.o.o.	
Spain	Geocontrol S.A.	
	SUBTERRA Ingeniería S.L.	
Turkey	TKİ – Turkish Coal Enterprises	
Ukraine	DTEK	
	Donetksteel	

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