PATHWAYS FOR A JUST TRANSITION CONCLUDING CONFERENCE

Coal Regions in Transition EU Initiative

#CoalRegionsEU
Political context for the 2050 vision

- Parties of the Paris Agreement to present long-term low greenhouse gas emission development strategies by 2020

- In October 2017 the European Parliament also invited the Commission "to prepare by COP24 a mid-century zero emissions strategy for the EU"

- In March 2018, European Council invited the Commission "to present by the first quarter of 2019 a proposal for a Strategy for long-term EU greenhouse gas emissions reduction"

- Regulation on Governance of the Energy Union calls on the Commission to present an EU long-term strategy, including pathways that achieve net zero GHG emissions by 2050 and negative emissions thereafter
**Detailed assessment supported by scenario analysis**

### Long Term Strategy Options

<table>
<thead>
<tr>
<th>Main Drivers</th>
<th>Electrification (ELEC)</th>
<th>Hydrogen (H2)</th>
<th>Power-to-X (P2X)</th>
<th>Energy Efficiency (EE)</th>
<th>Circular Economy (CIRC)</th>
<th>Combination (COMBO)</th>
<th>1.5°C Technical (1.5TECH)</th>
<th>1.5°C Sustainable Lifestyles (1.5LIFE)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GHG target in 2050</strong></td>
<td></td>
<td>-80% GHG (excluding sinks) [&quot;well below 2°C&quot; ambition]</td>
<td>-90% GHG (incl. sinks)</td>
<td>-100% GHG (incl. sinks) [&quot;1.5°C&quot; ambition]</td>
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<tr>
<td><strong>Major Common Assumptions</strong></td>
<td>Electrification in all sectors</td>
<td>Hydrogen in industry, transport and buildings</td>
<td>E-fuels in industry, transport and buildings</td>
<td>Pursuing deep energy efficiency in all sectors</td>
<td>Increased resource and material efficiency</td>
<td>Cost-efficient combination of options from 2°C scenarios</td>
<td>Based on COMBO with more BECCS, CCS</td>
<td>Based on COMBO and CIRC with lifestyle changes</td>
</tr>
<tr>
<td><strong>Power sector</strong></td>
<td>Power is nearly decarbonised by 2050. Strong penetration of RES facilitated by system optimization (demand-side response, storage, interconnections, role of prosumers). Nuclear still plays a role in the power sector and CCS deployment faces limitations.</td>
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<tr>
<td><strong>Industry</strong></td>
<td>Electrification of processes</td>
<td>Use of H2 in targeted applications</td>
<td>Use of e-gas in targeted applications</td>
<td>Reducing energy demand via Energy Efficiency</td>
<td>Higher recycling rates, material substitution, circular measures</td>
<td>Combination of most Cost-efficient options from &quot;well below 2°C&quot; scenarios with targeted application (excluding CIRC)</td>
<td>CIRC+COMBO but stronger</td>
<td></td>
</tr>
<tr>
<td><strong>Buildings</strong></td>
<td>Increased deployment of heat pumps</td>
<td>Deployment of H2 for heating</td>
<td>Deployment of e-gas for heating</td>
<td>Increased renovation rates and depth</td>
<td>Sustainable buildings</td>
<td>COMBO but stronger</td>
<td>CIRC+COMBO but stronger</td>
<td></td>
</tr>
<tr>
<td><strong>Transport sector</strong></td>
<td>Faster electrification for all transport modes</td>
<td>H2 deployment for HDVs and some for LDVs</td>
<td>E-fuels deployment for all modes</td>
<td>Increased modal shift</td>
<td>Mobility as a service</td>
<td></td>
<td>&quot;CIRC+COMBO but stronger</td>
<td>Alternatives to air travel</td>
</tr>
<tr>
<td><strong>Other Drivers</strong></td>
<td>H2 in gas distribution grid</td>
<td>E-gas in gas distribution grid</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Limited enhancement natural sink</td>
<td>Dietary changes</td>
</tr>
</tbody>
</table>
Energy Targets

The 2030 climate and energy framework includes EU-wide targets and policy objectives for the period from 2021 to 2030.

Key targets for 2030:

- At least 40% cuts in **greenhouse gas emissions** (from 1990 levels)
- At least 32% share for **renewable energy**
- At least 32.5% improvement in **energy efficiency**
Increased Investment in the EU economy

- Modernising and decarbonising the EU's economy will stimulate significant additional investment.
- From 2% of EU GDP invested in the energy system today to 2.8% (up to €575 bn per annum) to achieve a net-zero greenhouse gas emissions economy.
- Positive for growth and jobs, with GDP higher by up to 2% in 2050.
- Co-benefits: energy imports down, public health, etc.
Opportunities and challenges ahead

• €379 billion investments needed annually in 2020–2030 period to deliver on climate and energy objectives.
• Around 900,000 job creation potential, but also a challenge for some.
• 10 Member States have recently committed or announced plans to phase-out coal use
• Coal activities of the energy sector provide jobs to about 240,000 people in the EU: about 180,000 are employed in the mining of coal and lignite and about 60,000 in coal and lignite-fired power plants

Commission objective: no region should be left behind
<table>
<thead>
<tr>
<th>Country</th>
<th>Jobs in Coal power plants</th>
<th>Jobs in Coal mines</th>
<th>Total jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>500</td>
<td>0</td>
<td>500</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>2700</td>
<td>11800</td>
<td>14500</td>
</tr>
<tr>
<td>Croatia</td>
<td>300</td>
<td>0</td>
<td>300</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>3600</td>
<td>18000</td>
<td>21600</td>
</tr>
<tr>
<td>Denmark</td>
<td>11000</td>
<td>0</td>
<td>1100</td>
</tr>
<tr>
<td>Finland</td>
<td>1200</td>
<td>0</td>
<td>1200</td>
</tr>
<tr>
<td>France</td>
<td>600</td>
<td>0</td>
<td>600</td>
</tr>
<tr>
<td>Germany</td>
<td>11000</td>
<td>24800</td>
<td>35700</td>
</tr>
<tr>
<td>Greece</td>
<td>1700</td>
<td>5000</td>
<td>6600</td>
</tr>
<tr>
<td>Hungary</td>
<td>900</td>
<td>1600</td>
<td>2500</td>
</tr>
<tr>
<td>Ireland</td>
<td>400</td>
<td>0</td>
<td>400</td>
</tr>
<tr>
<td>Italy</td>
<td>2400</td>
<td>400</td>
<td>2800</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1000</td>
<td>0</td>
<td>1000</td>
</tr>
<tr>
<td>Poland</td>
<td>13500</td>
<td>99600</td>
<td>113000</td>
</tr>
<tr>
<td>Portugal</td>
<td>700</td>
<td>0</td>
<td>700</td>
</tr>
<tr>
<td>Romania</td>
<td>3600</td>
<td>15100</td>
<td>18600</td>
</tr>
<tr>
<td>Slovakia</td>
<td>700</td>
<td>2200</td>
<td>2900</td>
</tr>
<tr>
<td>Slovenia</td>
<td>600</td>
<td>1300</td>
<td>1900</td>
</tr>
<tr>
<td>Spain</td>
<td>3400</td>
<td>3400</td>
<td>6700</td>
</tr>
<tr>
<td>Sweden</td>
<td>200</td>
<td>0</td>
<td>200</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>4200</td>
<td>2000</td>
<td>6200</td>
</tr>
</tbody>
</table>
Member States Phase-Out

France (by 2022)
Italy (by 2025)
UK (by 2025),
Finland (by 2030, potentially 2025)
Netherlands (by 2030)
Portugal (by 2030),
Sweden utilities have announced closures of all coal capacity by 2022
Austria utilities have announced closures of all coal capacity by 2025
Belgium (as of today)
Denmark (by 2030)
Germany (by 2038)

In January 2019, Spain and Germany closed almost all of their remaining coal mines, to comply with State aid decision of the Commission. Poland also closed several coal mines at this occasion.
Coal Regions in Transition Initiative

Our Objective
- support the development of (1) transition strategies (2) concrete projects kick-starting structural diversification and technology transition

Our Resources
- EU Funds and Programmes (mainly Cohesion Fund, European Regional Development Fund, European Social Fund, European Globalisation Adjustment Fund, Structural Reform Support Service)

Our Tools
- Multi-stakeholder Platform
- Operational Country Teams
Our strategy

(1) Country Teams composed of experts from all relevant Commission services work with national and regional authorities in pilot regions designated by Member States to identify concrete actions where EC can help in accelerating transition efforts (transition strategies and pilot projects).

(2) The Platform for Coal Regions in Transition provides a forum for:
- Stakeholder Dialogue: strategies and projects are discussed with a wider stakeholder community including NGOs, trade unions and industry.
- Collective Brainstorming: best practices and experiences from other sectors and project ideas are brought into the discussion.
- Guidance on available EU funds: Commission services provide information on funds and programmes to support transition in coal regions.
- High-level political dialogue: policy-makers provide recommendations on how to ensure an enabling policy framework, including the new MFF.
- Monitoring progress made by Pilot Regions
Platform for Coal Regions in Transition – organisation of work

• Our **objective** is to provide space for focused, operational and transparent discussions which help coal regions prepare transition strategies and identify priority projects with high potential to kick-start the transition process.

• Invited Member States and pilot coal regions jointly present transition strategies and identified projects under two Working Groups:
  
  (1) WG on Post coal economy and structural transformation  
  (2) WG on Clean air, eco-innovation and energy system transformation

• The Platform also serves as a space for exchange of best practices and project ideas

• 3 meetings at WG level per year and an annual high level dialogue

• Commission services and participants of the WG meetings provide feedback on the strategies and projects with the aim to identify potential sources of support at EU level.
State of Play and Forthcoming Meetings and Milestones

- **Country Teams** were set up for the following Member States,-designating the following Pilot Regions:
  - Slovakia – Trencin (SRSS to assist with strategy development)
  - Poland – Silesia (bilateral discussion on project prioritisation)
  - Greece – Western Macedonia (SRSS to assist with the development of a transition strategy)
  - Romania – Jiu Valley (RO to present transition approach at July Platform meeting)
  - Czechia (CZ to present transition strategy and projects at July Platform meeting)
  - Discussions on-going with Spain.

- **Platform Working Group Meetings**: first session in February. Next sessions on July (12-13) and October (25-26) 2018

- **High Level Political Dialogue**: During COP24 in Katowice in December 2018
Deliverables for 2018/2019

Secretariat of the Platform for Coal and Carbon-Intensive regions

- Prepare and organise Platform meetings.
- Serve as a body of reference on transition in coal and carbon-intensive regions.
- Design and implement capacity building and technical assistance support for pilot coal and carbon-intensive regions.
- Develop support materials, methodologies and toolkits for the coal and carbon-intensive regions.
- Review and identify best practices related to structural and technological change.
Next Budget: 2021 2027

- Commission’s proposal to increase support through regional and cohesion policy as well as through other existing funding programme. Possibility to fund retraining and active job policies for workers having lost their job due to decarbonisation under the next European Globalisation Fund.

- The European Parliament has proposed a dedicated Just Energy Transition Fund of EUR 4.8 billion.
Thank you for your attention

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