Ditching coal in North-Western Europe: Options on the table

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EU’s climate leadership at risk: rising emissions

Change in energy-related carbon dioxide emissions by selected countries in 2017

- Global increase of 1.4%, after 3 years of stagnation:
  - Robust economic growth;
  - Lower fossil-fuel prices;
  - Weaker energy efficiency efforts;
- Regional differences: -0.5% in the US., +1.7% in China, +1.5% in the EU

Source: Carbon Brief, IEA, Global Energy & CO2 Status Report 2017, Umweltbundesamt
EU’s share in global coal demand & power generation is small

Global coal consumption by major region/country, Split of installed coal power capacity in the world, 1997-2017E

- EU represents 7.8% of total global installed coal fired power generation capacity
- EU represents 6% of global coal consumption

Source: Sylvie Cornot-Gandolphe, Coal Exit or Expansion, Note de l’Ifri, April 2018, based on: Global Coal Plant Tracker
Coal-fired power generation is a key source of EU emissions

Energy-related CO2 emissions in the EU in 2017(e)

The slow decline of coal in the EU

- Stagnating demand: -0.5% in 2017
- Since peaking year (2012), coal-based power gen. decreased by only 6.7 percentage points

Source: Ifri based on Euracoal, Eurostat and estimates by Sylvie Cornot Gandolphe, Coal Exit or Expansion, Note de l’Ifri, April 2018

Source: Agora Energiewende and Sandbag, The European power sector in 2017
Progress in reducing coal-fired power generation, yet coal well entrenched notably in Germany

Electricity generation from coal sources (% of total) in 2011  
Electricity generation from coal sources (% of total) in 2016

Source: Ifri based on IEA Electricity Information 2017, Romanian Energy Regulatory Authority, based on 2015 data for Croatia and Bulgaria.
Higher coal & EU ETS prices: will this be sustained and enough?

**EU ETS settlement prices, Nov-17 to Apr-18 (€/tCO₂)**

- EUA above 10€/t for the first time in six years
- Is the upward trend driven by the fundamentals or only reflecting speculative behaviours?
- With relatively high coal and carbon prices and relatively low gas prices, start of coal to gas switching…

**Prices of imported steam coal into Europe and Asia, 01/2011-01/2018**

- Source: Sylvie Cornot-Gandolphe, Coal Exit or Expansion, Note de l'Ifri, April 2018, based on Sources: World Bank, Globalcoal.com