GREENPEACE **Briefing**

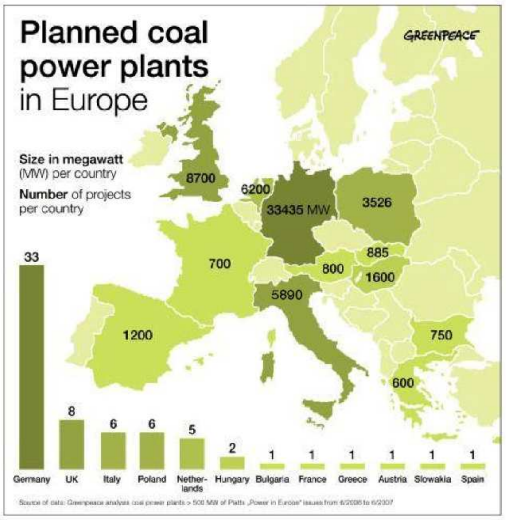
Coal, the EU and E.ON

The urgency of the climate crisis necessitates swift action on the part of EU governments to reduce emissions. Climate scientists warn that, in order to avoid the worst effects of rising global temperatures, greenhouse gas emissions must peak by 2015 and fall dramatically thereafter.

The electricity sector in the EU accounts for 39% of total EU CO_2 emissions, three quarters of which comes from coal. The sector will need to be significantly decarbonised in order to meet the 30% emission reduction goal by 2020. This means Europe has to stop building new coal-fired power plants.

The EU has sought to position itself as a global leader on the issue of climate change. In spring 2007, EU heads of state committed to cutting emissions by at least 20% by 2020, or 30% in case of a global climate agreement between industrialised nations. It has also pledged to meet 20% of its energy needs from renewable energy over the same timeframe. At the same time, EU nations are slow in shifting away from carbon-intensive energy sources and the region is witnessing a resurgence of coal, the dirtiest of fossil fuels.

Over the next two decades, there will be the largest turnover in electricity generating capacity the world has ever seen. Existing plants will need to be retired. Decisions made by governments and power companies on how to manage this turnover will define our energy supply for well over a generation. Greenpeace has discovered that a third of proposed and planned new electricity capacity in the EU could rely on coal (64,026 MW) and less than 10% on renewable energy resources.



In July 2007, Greenpeace performed an analysis of large (greater than 500 MW) power generation projects in the phases of proposal, development, permitting or construction in Europe. It found that Europe is planning a total of 210 large power projects, of which 68 are to be coal-fired.

Thirty-three coal-fired power stations are planned in Germany, eight in the UK and six in Italy and Poland. Five were planned for the Netherlands, but two of these have been recently cancelled.

The figure to the left details the country breakdown by number of projects and total MW.

If the average 1000 megawatt (MWe) power station generates 7 million tonnes (Mt) of CO_2 annually, it would produce 64,026 MW of power and an estimated 448.2 Mt of CO_2 every year. That means that all of the large power stations the EU plans to build

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will together emit more CO_2 than the entire annual greenhouse gas emissions of Spain.[1] If these plans go ahead, the EU will be unable to meet its targets to reduce greenhouse gas emissions up to 30% by 2020.

As the international climate conference in Poznan, Poland in December draws closer, European politicians are considering their response to these proposed investments in coal and the likely devastating consequences for the climate.

E.ON

E.ON is one of the largest utilities in Europe. Its total electricity generation capacity is approximately 56,000 MW.[2] Other European utilities, such as Essent in the Netherlands, have recently decided to cancel their proposed coal-fired power plants and to invest in renewable energy and energy efficiency instead. The Dutch utility Eneco previously stated it did not want to invest in coal-fired power plants and is "walking the talk", with 40% of its investments going to renewables. E.ON, however, continues to invest in new coal-fired power plants.

To expand its generation capacity in Europe, E.ON is planning a €50 billion investment program for 2008-2010. Only 6 billion of this will be invested in renewable sources of energy. The majority will go to conventional energy sources, such as coal.[3] E.ON plans to build eight new coal plants in Germany, Belgium and the Netherlands (costing around €1.2 billion each) and to construct another 2000MW of coal-fired plants in the rest of the EU.[4]

Greenpeace is calling on all European governments and utilities, including E.ON, to get serious about climate change and redirect their investments into sources of clean, renewable energy.

The www.energyblueprint.info website provides more information and a practical blueprint on how to halve global CO_2 emissions by 2050, while still meeting society's energy needs. It explains how existing energy technologies can be applied in more efficient ways across the planet.

www.greenpeace.org/quitcoal

www.greenpeace.org/energyrevolution

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1 http://reports.eea.europa.eu/technical_report_2006_10/en/eea_technical_report_10_2006.pdf

2 This figure is calculated by adding up the available figures for E.ON Energie, E.ON UK, E.ON Nordic, E.ON Italy, E.ON Spain and E.ON Climate and Renewables. No consolidated figures for all of the company's European activities were available. The figures include the generation capacity acquired by E.ON during the recent (June 2008) takeover deal with Endesa.

3 http://www.eon.com/en/downloads/ir/Equity_story_-_September_2008(2).pdf

4 http://somo.nl/publications-en/Publication_2673/at_multi_download/files?name=Sustainability%20in%20the%20Dutch%20Power%20Sector%20-%20E.ON.pdf