Minister H.G.J. Kamp
Minister of Economic Affairs
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The Netherlands
Via email

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RE: Four priority actions for the European members of the Powering Past Coal Alliance

Dear Minister H.G.J. Kamp,

We write to welcome your political leadership in support of The Netherlands' transition away from coal-fired power generation and to share our perspective on the next steps you can take to accelerate further action across Europe and the rest of the world.

As representatives of civil society groups and citizens across Europe, we recognise how important it is to work together to help heal coal's social, health, environmental, and economic damage. Given the unprecedented scale of the problems we face and the short timeframe we have to fix them, we are pooling our own time, energy, and resources in an exceptional campaign across Europe to dramatically accelerate the transition to a better future for all, for a Europe Beyond Coal.

We therefore particularly want to emphasise our positive support for The Netherlands' membership of the Powering Past Coal Alliance (PPCA). By working together, national and sub-national governments have a unique opportunity to accelerate the transition away from coal and towards a healthy, 100% renewables-based energy system, both within Europe and globally.

Collectively, PPCA members have already committed to phasing out 25% of the coal power capacity in the EU before 2030, as detailed in our accompanying briefing paper. This is a great start, but much more must be done in order to deliver on Europe's commitments to the UN Paris Climate Agreement and secure the benefits of the energy transition.

As a member of the PPCA, we count on your government to prioritise cooperation with its peers to maximise your combined impact and influence. In particular, the Europe Beyond Coal campaign believes that European members of the PPCA should prioritise action in four areas over the coming year, which we describe in more detail in an accompanying note:

1. **Strongly advocate for the development of timely coal phase out plans by all EU Member States**
2. **End subsidies to coal power generation, including through capacity mechanisms**
3. **Provide peer support and challenge towards Germany and other European laggards**
4. **Catalyse the international shift of finance from coal and other fossil fuels to renewable energy**

The partners in the Europe Beyond Coal campaign will continue to advocate for all governments, sub-national actors, utilities and investors to develop their own ambitious, socially just coal phase out commitments, so that Europe will be coal free by 2030. PPCA members can be assured of our proactive engagement and support as you take forward your collective efforts to accelerate the transition from coal to clean energy. We will be pleased to discuss the priorities identified here further, and to maintain an ongoing dialogue.

Yours sincerely,

Kathrin Gutmann

Campaign Director, Europe Beyond Coal

On behalf of:

Four priority actions for the European members of the Powering Past Coal Alliance:

1. Strongly advocate for the development of coal phase out plans by all EU Member States

All EU Member States are in the process of developing a National Energy and Climate Plan (NECP) as part of delivering on the EU's 2030 climate and energy targets and in line with 2050 decarbonisation goals.

We call on members of the PPCA to ensure that proactive coal phase out pathways are identified in their own NECP, with an aim to bring forward the closure date of coal power plants as soon as feasibly possible in advance of 2030. These plans should serve as a positive example for other governments and sub-national actors who are seeking to organise a just transition process for their own regions.

In addition, EU Member States will undertake peer review of the NECPs under development in neighbouring countries. **We expect PPCA members to argue for robust coal phase out plans from other EU member states**, positioning this as a critical test of NECPs and their ability to shift public and private finance towards clean energy investment.

2. End subsidies to coal power generation, including through capacity mechanisms

Europe's ageing and polluting coal power plants are now increasingly uneconomic, resulting in utility companies desperately seeking subsidies in order to extend their operating lifetimes. Capacity remuneration mechanisms are being used as a lifeline for the operators of coal power plants seeking public money to cover for their poor investment decisions and polluting practices. Where needed, capacity mechanisms should be used to support Europe's transition to a clean, smart, and efficient electricity network for the future, not to delay the retirement of coal power plants.

In this context, we are concerned about the Council's position on Capacity Mechanisms that was reached in December 2017. This would allow subsidies to be paid to coal power plants even beyond 2030 with little obligation on Member States to justify these payments through a robust scrutiny process. This would be in clear contradiction with the EU's commitment to phase out environmentally harmful subsidies by 2020; incompatible with the EU's climate commitments; and result in a shocking misuse of public money.

We call on PPCA members to work together to secure a deal that will significantly tighten the restrictions on capacity payments for coal power generation. We urge you to ensure that no new capacity mechanism payments are awarded to new nor existing coal power plants and that existing schemes and payments for operating coal power plants are phased out prior to 2025.

3. Provide peer support and challenge towards Germany and other European laggards

Germany and Poland are home to half of the remaining coal power capacity in the EU, and both governments should be moving much faster to enable the transition from coal to clean energy.

In particular, Germany's poor performance on coal is a serious impediment to its climate leadership credentials and a critical risk to global action on climate change. OECD peers such as Japan and South Korea look to Germany, as do emerging economies in Asia. A phase out of coal in Germany well beyond 2030 (as currently argued for by parts of the German government) is too slow. This would have a negative influence on the global transition and undermine Europe's pursuit of the UN Paris Climate Agreement objectives.

At the same time, the potential for a positive, proactive transition in Spain, Poland, Greece and many CEE countries as well as Turkey and Western Balkans is being held back by incumbent industrial interests that are fighting to maintain the past, not shape the future.

We therefore call on you to prioritise engagement on the necessity of a timely phase out of coal in your political, diplomatic, technical and policy exchanges with Germany and your other European counterparts. By offering positive support and the exchange of best practice, PPCA governments can help unlock barriers to action. PPCA members can likewise set the tone for a more positive discussion at COP24 in Katowice by sharing insights on a just transition and the benefits of action on coal for fighting air pollution and improving human health.

We believe that the European Commission's new Coal Regions in Transition Platform provides a potential means of assisting coal producing and consuming regions to accelerate their transition away from coal to clean energy. But in order to succeed (and make good use of public funds), the Platform must avoid being captured by incumbent interests that are seeking subsidies for undeliverable and expensive projects, such as coal gasification or carbon capture and storage. **We call on PPCA members to support this initiative by sharing your practical insights and by ensuring that there is strict conditionality in using EU funds to deliver a sufficiently rapid economic transformation of regions away from coal.**

In parallel to this positive engagement, PPCA members must also be prepared to push for the full implementation of EU power plant pollution standards under the Industrial Emissions Directive's technical BREF standards (and relevant accession requirements). Limiting pollution on the road to a full coal phase out should be a priority, in light of the 19,500 premature deaths and more than 50 billion EUR health costs caused by the EU's coal power plants in 2015.

We call on PPCA members lead by example in IED BREF implementation, by applying the tighter end of the range of the agreed limits and refraining from using exemptions. Coal power plants that are not compliant with air pollution requirements must be shut down, not thrown a lifeline.

4. Catalyse the international shift of finance from coal and other fossil fuels to renewable energy

We welcome the commitment of PPCA members to restrict finance for coal power generation. As significant providers of climate finance and international development aid, European members of the PPCA can play a leading role in assisting emerging economies and developing countries to transition from coal to the clean and smart energy systems of the 21st century. **We request that you work with your peers to align your financial support and diplomatic efforts to catalyse this structural shift in energy investment.**

At the same time, European governments play a leading role on the boards of Multilateral Development Banks including the European Investment Bank and European Bank for

Reconstruction and Development. Continued funding for high carbon infrastructure fundamentally undermines efforts to increase funding for climate change mitigation and adaptation. Instead, MDBs must align their project funding and country strategies with the UN Paris Climate Agreement, starting with the energy strategies of the EIB and EBRD this year.

We therefore call on European PPCA members to ensure that there is no further financial support for coal power plants or related infrastructure from MDBs (either directly or through intermediaries); from your own international development funding; or from your respective export credit agencies. Companies planning new coal plants or mining expansions should not be publicly financed at all. Those not planning new power plants but still with coal in their portfolio should be eligible for financing only on the condition that they produce a decarbonisation plan, committing to phase out the use of coal according to a trajectory in line with the Paris Agreement.