Press release | 23.11.2010

Coal subsidies

EP vote to further extend coal mine subsidies in conflict with economic and energy interests

The European Parliament today voted on a European Commission proposal on phasing-out state aid to uncompetitive coal mines (1). Green MEPs criticised the outcome, which called for prolonging the current coal subsidy regime (under which operational aid to uncompetitive coal mines is exempted from EU state aid rules) even further than the period proposed by the Commission: to 2018 instead of 2014. Following the vote, Belgian Green MEP and shadow on the EP economic affairs committee **Philippe Lamberts** said:

"Today's vote is in conflict with the EU's economic, energy and climate change interests. Subsidising uncompetitive coal mines is a waste of billions of Euro of public money (2), particularly in the context of current pressures on public finances.

"Prolonging operational aid to coal mines fails to address the legitimate concerns of coal workers for their futures. Instead, it risks delaying the transition towards a green economy, with a future energy sector based on energy efficiency and renewable energy, which will ensure the creation of thousands of new, sustainable jobs in former coal-producing regions."

French Green MEP **Yannick Jadot**, who followed the proposal in the EP energy committee said:

"The Parliament has been taken hostage by the coal lobby, which wants to maintain the billions of Euro in public subsidies it receives. We hope the Commission will not also be taken hostage. EU Commissioners must stop defending what they wrongly perceive as their national interest: prolonging coal subsidies is neither in the European interest nor in the interest of any member state. Energy Commissioner Oettinger has not been appointed to delay the necessary restructuring of a few German industries but to defend the European general interest. The original proposal from the Commission must be maintained (3)."

- (1) The European Commission proposed a regulation to extend state aid to uncompetitive coal mines beyond 2010 (effectively extending an existing exemption from EU rules on state aid), while making clear that by 2014 only state aid to ensure a fair social and environmental transition would be authorised (until 2026).
- (2) Subsidised coal represents around 5% of the EU's electricity mix. State aid to coal amounts to around [2]3 billion per year.
- (3) The proposal is being discussed by the Council and EP has a consultative role.

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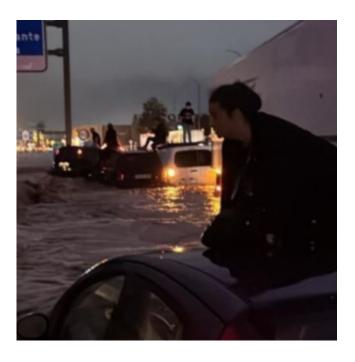
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Yannick Jadot

Member



Philippe Lamberts

Member

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