State aid to facilitate the closure of uncompetitive coal mines

2010/0220(NLE) - 23/11/2010 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 465 votes to 159, with 39 abstentions, a legislative resolution amending the proposal for a Council regulation on State aid to facilitate the closure of uncompetitive coal mines.

The main amendments suggested are as follows:

Legal basis: Parliament considers that the proposal should be based on Article 107(3)(e) and Article 109 of the Treaty on the Functioning of the European Union.

Principles: Members specify that aid to the coal industry may be considered compatible with the proper functioning of the internal market covering only costs in connection with coal for the production of electricity, the combined production of heat and electricity, the production of coke and the fuelling of blast furnaces in the steel industry, where such use takes place in the EU.

Closure aid: the proposal provides for State aid aiming at facilitating the closure of uncompetitive coal mines. Certain conditions should be respected to ensure that it is compatible with the internal market:

- the operation of the production units concerned must form part of a closure plan the deadline of which does not extend beyond 31 December 2018 (as opposed to 1 October 2014);
- the production units concerned must be closed definitively in accordance with the closure plan unless they have become competitive by the date set out in that plan and the Union's energy needs require their continued existence ;
- the overall amount of closure aid granted by a Member State must follow a downward trend;
- the overall amount of closure aid granted by a Member State for any particular undertaking must follow a downward trend, where the annual reduction must not be less than 10 % of the aid provided in the first year of the closure plan.

Parliament deleted, among other conditions to be respected, the one which obliged Member States to provide a plan to take measures aimed at mitigating the environmental impact of the use of coal, for example in the field of energy efficiency, renewable energy or carbon capture and storage.

If the production units to which aid is granted are not closed at the date fixed in the closure plan as authorised by the Commission or have not become competitive by that date, the Member State concerned shall recover all aid granted in respect of the whole period covered by the closure plan.

Structural Funds: in light of the extremely serious socio-economic impact of pit closures, particularly in thinly populated regions, Members believe that consideration should be given to targeted support from the EU structural funds in future budgets, even if the regions affected are situated in Member States with less severe economic problems. Retraining workers affected by the pit closure plans should be provided for immediately and all the possibilities of regional, national and Union financing should be explored for that purpose. Members believe that the financing of environmental protection measures and costs relating to long-term pit closures will need to continue beyond 2014.

Use of renewable and lower carbon fossil fuels: as regards the Union's policies to aid the use of renewable and lower carbon fossil fuels for power generation, Member States should provide a plan of

measures aimed at mitigating the environmental impact of the use of coal, for example in the field of energy efficiency, renewable energy or carbon capture and storage. This applies to all types of coal and all types of resources. It should be recognised that the replacement of subsidised coal by unsubsidised coal has no beneficial impact on the environment.