

Coal exit threatens German industrial future – commission

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(Montel) Closing German coal-fired plants carries a significant risk of power price spikes and therefore threatens the country's industrial future, a government appointed commission tasked with mapping out a coal exit said on Thursday.

“We need to prevent a stealthy deindustrialisation. Further cost increases brought on by the closure of coal-fired power plants risk accelerating this process,” the group said in an interim report after four months of deliberations.

The country's economic strength was in its ability to produce energy-intensive raw materials, a process that saw considerable “international competition and depended especially on competitive, cheap and secure energy supply”.

Any detrimental effect on the country's standing as a global home for industry must be “avoided as much as possible and otherwise compensated for”, added the report.

National support

The government must ensure national support for its coal-mining regions, energy-intensive industry and combined heat and power (CHP) generation sector in the face of scrutiny from the EU, said the commission.

Germany currently offers discounts on taxes and levies for CHP plants operated by industrials for onsite consumption, which only gained the approval from Brussels earlier this year.

Exiting coal-fired power generation could add EUR 2-8 to the wholesale price of power by 2030, commission member and energy market expert Felix Matthes told Montel recently.

The commission is scheduled to publish a second report by the end of the year, which will include a schedule for coal plant closures in order that the country can meet its 2030 emissions target.

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