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**ECONOMIC COMMISSION FOR EUROPE**

**COMMITTEE ON SUSTAINABLE ENERGY**

Ad Hoc Group of Experts on Coal and Thermal Power  
Fourth session, 19-20 November 2001

**REPORT**

**I. ATTENDANCE**

1. The session was attended by representatives from the following UNECE member countries: Albania, Bosnia and Herzegovina, Bulgaria, Czech Republic, France, Germany, Greece, Hungary, Italy, Kazakhstan, Poland, Romania, Russian Federation, Slovakia, Yugoslavia, The former Yugoslav Republic of Macedonia, Turkey, United States of America and Uzbekistan.
2. The following governmental organization was represented: CIS Interstate Euro-Asian Coal and Metal Community.
3. The following non-governmental organizations were represented: European Solid Fuels Association (CECSO), IEA Coal Research – The Clean Coal Centre, International Committee for Coal and Organic Petrology (ICCP), World Coal Institute (WCI) and World Energy Council (WEC).

**II. ADOPTION OF THE AGENDA (Agenda Item 1)**

4. The provisional agenda, as contained in document ENERGY/GE.1/2001/1, was adopted with the following two changes: (i) Item 2 (Election of Officers) was taken at the start of the afternoon session on day one, and (ii) the only issue listed under Item 10 (Other Business) “Resolution on Furthering Clean Coal Development in the Economies in Transition” was taken under Item 7 (Clean Coal Use).

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### **III. ELECTION OF OFFICERS (Agenda Item 2)**

5. Mr Miles Greenbaum (USA) stepped down as Chairman. Mr Sergey Klimov (Russian Federation) was elected Chairman and Messrs Celestin Alexandrescu (Romania), Miroslav Walis (Czech Republic) and Miles Greenbaum (United States of America) were elected Vice-Chairmen. It was noted that Mr Greenbaum was elected as a Vice-Chairman in an advisory capacity and that he did not wish to be put forward for re-election as Chairman in the future. The newly elected officers were intended to improve representation of each major sub-region and also of both the coal mining and thermal power sectors. The in-coming Chairman thanked Mr Greenbaum, on behalf of the Ad Hoc Group of Experts, for his considerable efforts in raising the profile of coal and also his commitment during his period as Chairman.

### **IV. ACTIVITIES AND PRIORITIES OF THE COMMITTEE ON SUSTAINABLE ENERGY (Agenda Item 3)**

Documentation: ECE/ENERGY/43: Report of the Tenth Session of the Committee on Sustainable Energy

6. Mr George Kowalski, Director of the ECE Sustainable Energy Division, updated the Ad Hoc Group on staffing issues within the ECE and the Energy Division. This included the recent resignation of the ECE Executive Secretary and the two ongoing vacancies within the Division, one of which had now been filled following the appointment the previous week of Ms Charlotte Griffiths to handle the ECE's programme of work on coal and thermal power as well as to be the Secretary to the Ad Hoc Group. Ms Griffiths had gained experience with global coal issues during her time of employment with the World Coal Institute.

7. Mr Kowalski provided information for the guidance of the Ad Hoc Group in the implementation of its work programme. He outlined four key areas for continued activity: prospects for coal in thermal power generation; restructuring of coal and thermal power industries; measures related to mine closures and mitigation of their consequences; and cleaner coal technologies.

8. In addition, Mr Kowalski highlighted the many challenges facing the coal and thermal power sectors today, but stressed that the future looked optimistic – particularly in the light of the renewed focus on energy diversity and energy security as part of the current re-examination of energy policy by many Governments.

9. Mr Kowalski then reported on the activities of the Committee on Sustainable Energy of relevance to the work of the Ad Hoc Group. He highlighted the endorsement last year by the Committee of a Declaration/Statement on Sustainable Energy Development, which provided an assessment of the overall energy situation and the additional work required to progress on a more sustainable energy path. In this Statement a number of new initiatives were put forward by delegates, one of which was the evaluation, promotion and dissemination of information on internationally agreed policies and cooperation regarding the use of clean coal and biomass combustion and improving the thermal efficiency of large solid fuel power plants – this being of particular benefit to countries with economies in transition.

10. Mr Kowalski further advised of three areas of focus for this year's Committee Session, which were of particular relevance and interest to the Ad Hoc Group: energy security and market liberalization; energy pricing, subsidization and internalisation of environmental externalities; and indicators for sustainable energy development.

11. In closing, Mr Kowalski stressed the importance to the Group of focussing on and strengthening its future work programme for the coming year and beyond.

Decision: To take note of the above information and consider it in the future work programme of the Ad Hoc Group.

#### **V. DEMAND, SUPPLY AND PROSPECTS FOR COAL IN THERMAL POWER GENERATION IN THE ECE REGION (Agenda Item 4)**

Documentation:

- (i) ENERGY/GE.1/2001/3: Prospects for Coal and Coal-Based Electricity in Liberalized Energy Markets in the ECE Region (Note by the Secretariat)
- (ii) ENERGY/GE.1/2001/5: Coal Demand and Supply in the ECE Region, 1980-2000 (Note by the secretariat, available in draft format only)

12. The secretariat presented an overview of coal demand and supply trends and prices in the ECE region. Mr Domenico Maiello, Manager, Italy Norfolk Southern, Italy, then made a comprehensive presentation on the 'Dynamics of Coal Prices' including recent trends in the global coal trade and development of coal prices in 2001. These presentations were followed by country presentations from the Czech Republic, Germany and Poland on the state of the coal and thermal power sector in their respective countries.

13. The following documents were available:

- (i) Prospects for Coal Use in the Czech Republic at the Beginning of the 21<sup>st</sup> Century, by Mr Jaroslav Kunes, Ministry of Industry and Trade, Czech Republic.
- (ii) L'Energie en France (Édition 2001), by Ministère de L'Économie des Finances et de L'Industrie.
- (iii) Country Report on the Coal Market in Germany in 2000, by Mr Bernd Bogalla, Gesamtverband des Deutschen Steinkohlenbergbaus (GVSt).
- (iv) Greece: Energy Situation and Policies, by the Public Power Corporation of Greece.
- (v) Coal Demand Prediction as Compared to Other Fuel's Demand in Poland, by Mr Leon Kurczabinski, Coal Holding Katowice.
- (vi) Portugal: Energy Balances 1998-2000 and Coal Consumption, submitted by the Portuguese Delegation.

Decision: To take note of the extensive material provided.

**VI. RESTRUCTURING OF THE COAL INDUSTRIES IN THE ECONOMIES IN  
TRANSITION  
(Agenda Item 5)**

Documentation:

- (i) ENERGY/GE.1/2001/4: Restructuring of the Coal Industry in Economies in Transition (Summary Note by secretariat)
- (ii) ENERGY/GE.1/2001/4/Add.1 (Russian Federation)
- (iii) ENERGY/GE.1/2001/4/Add.2 (Poland)
- (iv) ENERGY/GE.1/2001/4/Add.3 (Ukraine)
- (v) ENERGY/GE.1/2001/4/Add.4 (Romania)
- (vi) ENERGY/GE.1/2001/4/Add.5 (Bulgaria, Czech Republic and Slovenia)
- (vii) ENERGY/GE.1/2001/4/Add.6 (China)
- (viii) ENERGY/GE.1/2001/4/Add.7 (Bosnia and Herzegovina)
- (ix) ENERGY/GE.1/2001/4/Add.8 (Kazakhstan)

14. The secretariat presented an overview of Restructuring of the Coal Industry in the Economies in Transition. This presentation was followed by country presentations from Hungary, Kazakhstan, Romania and the Russian Federation on the status of restructuring of the coal industries in their respective countries. A further presentation on Liberalisation of Electricity Markets in the ECE Region was made by the secretariat.

15. The following documents were available:

- (i) Restructuring of the Coal Industry in Transition Economies, PowerPoint presentation by the secretariat.
- (ii) Avenir de L'Industrie Charbonniere de Hongrie, by Mr Ferenc Matyi-Szabo, Hungary.
- (iii) Restructuring of the Coal Industry in Karaganda, Kazakhstan, by Mr Grigoriy Present, ISPAT KARMET Ltd.
- (iv) Coal Mining Restructuring in Romania: Evolution and Perspectives, by Ms Florica Baltaretu, SC IPROMIN SA.
- (v) Liberalisation of Electricity Markets in the ECE Region, PowerPoint presentation by the secretariat.

Decision: Following extensive discussions, it was agreed that coal industry restructuring, in particular the social ramifications, should continue to be an area of focus for the Ad Hoc Group. Attention was also drawn to the significant expertise gained by west European countries, such as Germany, France and Belgium, relating to the legal and regulatory aspects of restructuring and it was agreed there was a need to look at how best to transfer this experience to economies in transition. Discussions relating to the liberalisation of electricity markets and energy security drew attention to the need to encourage and facilitate investment in cleaner coal technologies.

## **VII. MEASURES RELATED TO THE CLOSURE OF COAL MINES AND MITIGATION OF THEIR CONSEQUENCES (Agenda Item 6)**

Documentation: ENERGY/GE.1/2001/7: Measures Related to the Closure of Coal Mines and the Mitigation of their Consequences – *available at the Meeting in Russian only.*

16. An overview of the above paper was presented by Mr Vladimir Popov, State Coordinating Institution for Regional Development and Social Aspects, Ministry of Fuels and Energy, Russian Federation.

17. The Chairman highlighted that this paper had been produced in response to questionnaires circulated to a number of countries; however, not all responses had yet been received and he encouraged any outstanding responses to be sent directly to the Russian Federation (Messrs Popov or Grebenshchikov) by the end of 2001. The Chairman then further requested the Russian Federation to look to finalise the paper by end-February 2002 and submit to the secretariat for translation, publication and circulation.

Decision: Discussions confirmed the usefulness of this paper and the need for it to be finalised and circulated as soon as practicable.

## **VIII. CLEAN COAL USE – A RELIABLE OPTION FOR SUSTAINABLE ENERGY (Agenda Item 7)**

Documentation: ENERGY/GE.1/2001/6: Workshop on Clean Coal Use – A Reliable Option for Sustainable Energy (Szczyrk, Poland, 24-26 May 2001)

18. Mr Klaus Brendow, World Energy Council, briefed the Ad Hoc Group on the main results and findings of the workshop and concluded it was an excellent event, both in terms of the quality of the presentations and the “combative” approach adopted to defend the coal industry.

19. Mr Brendow further briefed the Ad Hoc Group on the ‘Resolution on Furthering Clean Coal Development in the Economies in Transition’ (Annex to ENERGY/GE.1/2001/6) that was adopted by the Workshop held in Szczyrk. The Meeting was informed that this issue now appeared to be satisfactorily resolved following COP-7 in Marrakesh; coal is no longer excluded from the Kyoto mechanisms, particularly the Clean Development Mechanism (CDM), although the setting of baselines for measuring and determining future emission credits could limit the opportunities for cleaner coal technologies to be used for this purpose.

20. Mr Miroslav Walis, Czech Republic, made a presentation on ‘Clean Coal Technologies Development: Present Status and Forecast for the Future in the Czech Republic’. Mr Leon Kurczabinski, Poland, also briefed the Ad Hoc Group on the status of cleaner coal technologies in his country.

21. Presentations providing an update on the status of CCTs were also made by the following:
- (i) The Sustainable Use of Coal through the Application of Clean Coal Technology by Mr Leopold Janssens, CECISO, Belgium.
  - (ii) Mr John Topper, IEA Clean Coal Centre, UK.
  - (iii) Mr Aleksei Bychkov, RAO EES ROSSII, Russian Federation.

Decision: The Ad Hoc Group agreed unanimously on the importance of cleaner coal technologies and their role in ensuring an ongoing role for coal in the emerging energy markets.

## **IX. ACTIVITIES OF AND COOPERATION WITH VARIOUS INTERGOVERNMENTAL AND NON-GOVERNMENTAL ORGANIZATIONS**

**(Agenda Item 8)**

22. Updates on the activities of the following intergovernmental and non-governmental organizations were provided: European Solid Fuels Association (CECSO), IEA Clean Coal Centre, World Coal Institute (WCI), and World Energy Council (WEC). (A copy of the WCI PowerPoint presentation is available in electronic format.)

23. Mr Klaus Brendow (WEC) and Mr Celestin Alexandrescu (Romania) provided an overview of the Joint ECE/WCI/WCI Workshop on Clean Coal Combustion in Small and Medium-Sized Boilers in Central/Eastern Europe to be held in Brasov, Romania, 4-6 September 2002.

Decision: The Ad Hoc Group confirmed the importance of the forthcoming workshop in Brasov and agreed to encourage participation from as wide a range of countries as possible.

## **X. PROGRAMME OF WORK AND CALENDAR OF MEETINGS**

**(Agenda Item 9)**

Documentation: ENERGY/GE.1/1999/3: Report of the second session of the Ad Hoc Group of Experts on Coal and Thermal Power

24. The secretariat provided an overview of a number of potential areas of focus for the Ad Hoc Group's programme of work, including an update of planned and proposed workshops:
- (i) International Conference on Problems of Energy Security in the Context of Sustainable Energy Development, to be held at the time of the Sixth St Petersburg Economic Forum, St Petersburg, June 2002 – *this event was proposed by Chairman Klimov for inclusion in the future programme of work of the Ad Hoc Group.*
  - (ii) Clean Coal Combustion in Small and Medium-Sized Boilers in Central and Eastern Europe, Brasov, Romania, 4-6 September 2002 – *as per Agenda Item 8.*

- (iii) Future of Coal in the Energy Market, Budapest, Hungary, 2003 – *this event had originally been planned for May 2002; however, the Hungarian delegation advised that due to the restructuring of the electricity sector in Hungary, it was proposed to postpone the seminar until the first quarter of 2003.*

Decision: The Ad Hoc Group agreed upon its programme of work including a focus on the following issues:

- (i) restructuring of the coal industry in Central and Eastern Europe;
- (ii) cleaner coal technologies and their role in improving the ‘social acceptance’ of coal;
- (iii) energy security and the role solid fuels can play in the medium- and long-term; and
- (iv) re-examination of the role of coal in the energy mix in the light of the new and evolving market conditions.

25. The Ad Hoc Group also noted the importance of developing its website facility ([www.unece.org/energy/nrghome.html](http://www.unece.org/energy/nrghome.html)) to provide both a stronger interaction with member activities and increased information on the work of the Group to the broader community. It was agreed that this element would progress alongside other work of the Ad Hoc Group as resources permitted.

26. The Ad Hoc Group also endorsed involvement in the three workshops/seminars highlighted.

## **XI. OTHER BUSINESS (Agenda Item 10)**

27. Mr Greenbaum, USA, offered to make a formal presentation at the 2002 Meeting of the Ad Hoc Group on the activities and research being undertaken by the US Department of Energy in the area of zero emissions power plants, to include CO<sub>2</sub> sequestration and other related aspects. The Ad Hoc Group welcomed this offer.

28. The Ad Hoc Group expressed its gratitude to all countries and organizations that had participated in and contributed to the implementation of the programme of work and expressed a wish for the continuation of this support in the future.

## **XII. ADOPTION OF THE REPORT OF THE FOURTH SESSION (Agenda Item 11)**

29. It was agreed that a short report of the session (ENERGY/GE.1/2001/2) focussing on the conclusions and recommendations would be prepared by the secretariat and circulated to the Bureau of the Meeting for approval, upon which it would be circulated to member countries.

**Please Note: Documents from this meeting are available on the UNECE website at:  
<http://www.unece.org/energy/nrghome.html>**

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