



Press release 01/ 2025

Producing climate-neutral electricity with hard coal - defying the dark doldrums:

**HARD COAL REMAINS AN IMPORTANT PILLAR IN DARK DOLDRUMS/  
CCS and CCU ALSO PERMITTED FOR COAL POWER PLANTS**

Hard coal is a "partner of the energy transition", indispensable as a "security of energy supply"

- No security of supply without the back-up of hard coal-fired power plants
- Introduction of a technology-open, competitive capacity market necessary
- Against the backdrop of the tense economic situation: CO<sub>2</sub>-free conversion of existing power plants much cheaper than new builds
- Security of supply and affordability must be given more attention again

The energy transition, Germany's green prestige project, is proving more difficult to implement than assumed. The construction of new hydrogen-capable gas-fired power plants is not progressing, it seems unaffordable.

In November and December 2024, Germany experienced two prolonged phases of dark doldrums in which wind and solar made almost no contribution to electricity generation. Over 8 gigawatts, including almost 7 GW of coal-fired reserve power plants, remained unused. This caused a stir in the media but is due to the current legal situation. Power plants in the grid reserve may only be used to ensure system security and not to dampen electricity price peaks.

As a result, electricity prices exploded, peaking at over 900 €/ megawatt-hour, and industrial production came to a standstill in some places.

This has not gone unnoticed. Internationally, it has been criticised - especially from Sweden and Norway, because it increases electricity prices there. Against this backdrop, the VDKi coal importers' association is calling for coal-fired power plants to be better utilised.

Coal-fired power plants need medium-term prospects within the framework of a CAPACITY MARKET to be introduced - this is the way to achieve more market-available generation capacity, which will secure Germany's electricity supply. This is the only way to make large power plants an attractive employer, the only way to ensure even more commitment from a motivated workforce.

The CCS/CCU option is part of this package:

"Modern hard coal-fired power plants are an important backbone of the German electricity grid," says VDKi CEO Alexander Bethe. "With the increasing expansion of renewable energies, they run for fewer and fewer hours a year, mostly during the critical dark doldrums. In order to provide sufficient controllable power plants for security of supply, it is therefore necessary to introduce a technology-open, competitive centralised CAPACITY MARKET as soon as possible."

Replacing modern coal-fired power plants with new gas-fired power plants at any price makes no sense, neither in terms of climate related (overall LNG balance sheet not convincing due to methane gas emissions) nor in economic terms. For this reason, the option of installing and operating CCS (Carbon Capture and Storage) and CCU (Carbon Capture and Utilisation) plants should be opened up to coal-fired power plants, too, not only gas-fired power plants.

Alexander Bethe: "This means that coal-fired power plants could also be available as a climate-neutral back-up for electricity generation. Coal could act as a bridge and partner for the energy transition, as "the important pillar of the energy supply".

Hard coal should not be demonised. In addition, converting existing capacities with the help of CCS/CCU would be much cheaper than building new ones.

And: It is not understandable to authorise CCS/CCU for the operation of gas-fired power plants but not for coal-fired power plants.

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