



Open Letter: A sale is not a phase-out!

Take responsibility for climate, environment and the local communities in Lusatia

Monday, 23rd of May 2016

Dear Members of the Swedish Parliament,

This Tuesday the Swedish Parliament will debate the sale of Vattenfall's German lignite mining assets to a consortium of EPH and PPF. As representatives of German Churches, environmental and developmental organizations we are highly concerned by the possibility of a sale to such dubious investors and therefore ask you to stop the sale.

Germany is often seen as an example when it comes to climate policy, with many learning from or emulating its ambitious energy transition. However, the sale has the potential to seriously disrupt Germany's flagship policy: The need for a coal phase-out as part of the energy transition is being widely discussed in Germany for the first time. Large energy utilities like Vattenfall play a critical role in this discussion. Vattenfall could lead the way by initiating the coal phase-out in a socially and environmentally responsible way in Lusatia. EPH on the other hand is likely to pursue a strategy of short-term profit maximisation that bets on a failure of the energy transition.

In December, Sweden facilitated an ambitious Climate Agreement in Paris aiming to put a hold on dangerous global warming at 1,5 degrees. At the same time, Vattenfall's open-cast mines produce 60 to 65 million tons of lignite and 60 million tons of CO₂ every year which outnumbers the total of Swedish CO₂ emissions. Adopting a phase-out plan for this portfolio is arguably the most important contribution that the Swedish government could make to fight climate change. Selling Vattenfall's lignite assets to EPH, on the other hand, would likely lead

to higher emissions and set the course for increased lignite mining, including new open-cast mines in Lusatia which EPH plans to develop. This would run counter to Sweden's climate credentials and endanger progress towards implementing the Paris Agreement.

By stopping the sale and initiating the phase-out of lignite mining and power generation in Lusatia, Sweden could show itself to be on the cutting-edge when it comes to global climate policy. Vattenfall's desired successor EPH will likely oppose any attempt for an orderly coal phase-out and work to undermine the energy transition.

EPH is not a new actor in the lignite business in Germany. Experiences with EPH in Germany as well as recent revelations from the Panama Papers show that EPH and PPF cannot be considered to be responsible investors. The sale to the consortium of EPH and PPF might even be at odds with the "Compliance Statement" that Vattenfall presented to the Swedish government.

While Vattenfall has declared itself a "partner of the region" over the past years, it is now planning to give away its lignite mining assets to an obscure investor. As a partner of the region, Vattenfall should not sell off its lignite assets to EPH, but adopt a long-term plan to close its lignite business in an environmentally and socially responsible way, thereby providing planning security to everyone affected.

Instead of wasting 1,7 billion Euro to an obscure consortium, we ask Vattenfall and the Swedish state to take responsibility for Lusatia, the energy transition and the global flight against climate change. We, as representatives of the German civil society, urge you to stop the sale of Vattenfall's German lignite business and to secure a fair transition towards renewables and energy efficiency.

Yours sincerely,

Dr. Christiane Averbeck



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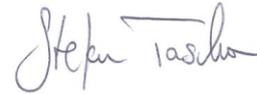
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