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Energy and phasing-out of coal-based electricity

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The topic of energy and electricity provides an excellent background to have a closer look at the issue of energy transition. The prevalent energy mix, which is still very much geared towards fossil fuels, is in the process of transition, as also pointed out by Erste AM's research partners.

The comeback of coal?

The current US administration under President Donald Trump declared the war against clean coal over in [2018](#). This new dogma by the US government would seem to make it worthwhile to put coal under closer scrutiny.

Is there really a trend in the USA back to coal? Our research partners say this does not seem to be the case. Especially in the USA, many coal-fired powerplants are at the tail end of their useful lives (i.e. roughly 35 years); also, natural gas was setting itself up as the [contender](#) of coal during the last years of President Obama, and coal's importance in the energy mix has been on the decline for years.

Bridge technologies gas and nuclear power

To what degree can gas or even nuclear power be seen as bridge technologies that could facilitate an easier transition to renewable energy carriers? Many experts believe that natural gas will play a crucial role.

Nuclear power, too, will continue to play a lead role, albeit a politically charged one. The construction of nuclear power plants entails high capital expenditure and long project periods, which is why [China](#) accounts for the majority of the nuclear power plants that are currently in their planning or construction stages.

The, compared to gas, high cost intensity requires long-term commitment and prompts the conclusion that states that continue to rely on nuclear power intend to use it for a longer period of time rather than regard it as bridge technology.

Challenges with renewable energy carriers

It is worth pointing out that renewable energy carriers, too, come with problematic practices from a sustainability perspective. For example, many of the materials used in wind parks such as carbon fibre are difficult to recycle, which translates into 30,000 tonnes of additional hazardous waste in Germany from 2040 onwards.

Our research partners also see potential problems with the supply of the base loads and the optimisation of temporary overcapacities in some EU countries.

A better integration of the networks between countries is therefore crucial. The EU has also recognised this challenge and provided funds for example to improve the suboptimal integration of [France and Spain](#).

What will the new energy mix look like?

According to the consensus among experts there cannot be one single solution. Rather, much like a balanced energy mix, we also need a balanced mix of approaches to guide the transition to renewable energy carriers: from the expansion of wind and solar power wherever it makes sense to innovative ideas like [carbon capture technologies](#), new hydrogen technologies, or improved batteries for storage.

You can find our dossier on rethinking energy production and consumption at: <https://blog.en.erste-am.com/dossier/strom-energie/>

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