

Transforming coal mining areas– diversifying industry, revitalizing and clean energy transition examples from the Eastern Cohesion Region and Silesia

exchangeEU: Diverse delegations from two lignite regions met in Bytom, Silesia, the energy heart of Poland

On May 9-10, the city of Bytom in Silesia welcomed a delegation from the municipality of Velenje in the Eastern Cohesion Region to exchange best practices and lessons learned in economic diversification, revitalization of mining areas and clean energy transition. During the two insightful days, both lignite regions had the opportunity to discuss shared challenges and collaboratively brainstorm potential solutions.

Diversifying industry & revitalizing coal mining areas

Both regions, Silesia and the Eastern Cohesion Region, are at different stages of their just transition process but share common challenges as they work towards phasing out coal. While Silesia's coal extraction is ongoing until 2049 without a fixed phase-out commitment, the Eastern Cohesion Region plans to exit coal by 2033, and the municipality of Velenje aims to become climate neutral by 2030.

What both regions have in common, is their indirect economic dependence on large companies as owners of the coal mines or coal power plants, which makes the diversification of the industrial landscape a key challenge. To replace the jobs that the coal mining industry offers until now, the regions need to attract new industries and businesses. To meet this challenge, the delegations discussed the involvement and support of private investors. During the site visits, several examples were presented to illustrate the potential the private sector can have. For example, participants visited the former Szombierki Heat and Power Station (in operation 1920-1998), which is currently undergoing a complex revitalisation to become a multi-purpose facility, including office space and a hotel with a swimming pool and an event space. Another example of a project implemented by a private investor, was demonstrated with the Skarpa Sports Center in Bytom. The previously abandoned buildings of the Rozbark coal mine have been renovated and are now home to Poland's largest climbing facility, with indoor and outdoor climbing walls totalling more than 3,000 square metres, a gym, a hotel, and a sauna, attracting around 100,000 visitors a year. A similar project to attract and retain young talent was presented with the Future Centre of Velenje. That is to attract and keep young talents, was shown with the Future Center of Velenje. The Future Centre is a revitalisation project of an old power plant, which will be built with support of the JTF fund to create new value-added jobs and boost innovation activities in the region. Another option for attracting new businesses, was presented by the Katowice Special Economic Zone (KSSE) with their model of incentivising companies and SMEs to relocate to the Silesia region through tax exemptions. A key lesson from the subsequent discussions was the need to secure not only the investment, but also the maintenance costs of these revitalised sites and buildings.

Clean energy transition – diversifying the energy supply to decarbonise the district heating system

Another aspect that the two regions have in common is their large fossil fuel dependent district heating network (between 100-180 km). This creates different challenges. First and foremost, in the past the heat was very affordable, so there was no need to insulate the pipelines in the most efficient way. This now has to be made up for by renovating the old pipeline systems. At the same time, it is necessary to renovate buildings to a higher energy efficiency level, as renewable heat sources do not provide the same high temperature as fossil sources. With the support of the JTF, Velenje plans to invest 18 million euros in the first phase of the transformation of the DHS. Velenje is also using the ESCO model to speed up the renovation apartments. Under this model, the energy company guarantees energy savings and offers energy efficiency solutions. While the city of Velenje is the sole owner of the district heating system, Bytom only owns roughly about 85% of it. Therefore, the city does not have the exclusive right to build, own and operate the district heating system, which complicates the decarbonisation process.

Future cooperation might accelerate just transition process

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This exchange between Silesia and the Eastern Cohesion Region once again showed, how different coal regions with similar challenges can have different approaches how to solve them. The participants recognised and used the opportunity to learn from each other's projects and experiences and see great potential for future cooperation to overcome the identified common barriers.