

SPAIN

A PIONEERING COUNTRY FOR A JUST TRANSITION





The Just Transition model in Spain

A **Just Transition** is the process of transformation from a fossil fuel-based and resource-intensive economic model to a greener economy based on sustainable development, fair employment and green jobs.

The Just Transition Strategy was approved in 2019 and it sets out the model for the de-carbonisation of the Spanish economy through 5-year plans with specific objectives and measures. It includes an implementation tool, the **Just Transition Agreements**, and an intervention mechanism for the areas of the country or sectors with urgent needs, i.e. the **Urgent Action Plans**. The **tripartite agreements** with trade unions and companies in the sectors involved are also key to including all players in the establishment of obligations and rights to ensure progress in the transition.

The **Just Transition Agreements** are for territories at risk from the energy and ecological transition putting businesses and economic activities in difficulty. Their priority objectives are the maintenance and creation of business and employment, to preserve the population in rural areas of Spain as well as the promotion of economic diversification in accordance with local resources. Their preparation includes participatory processes to obtain ideas, initiatives and projects for the economic reactivation of their regions from the inhabitants and social players of the territories in question.

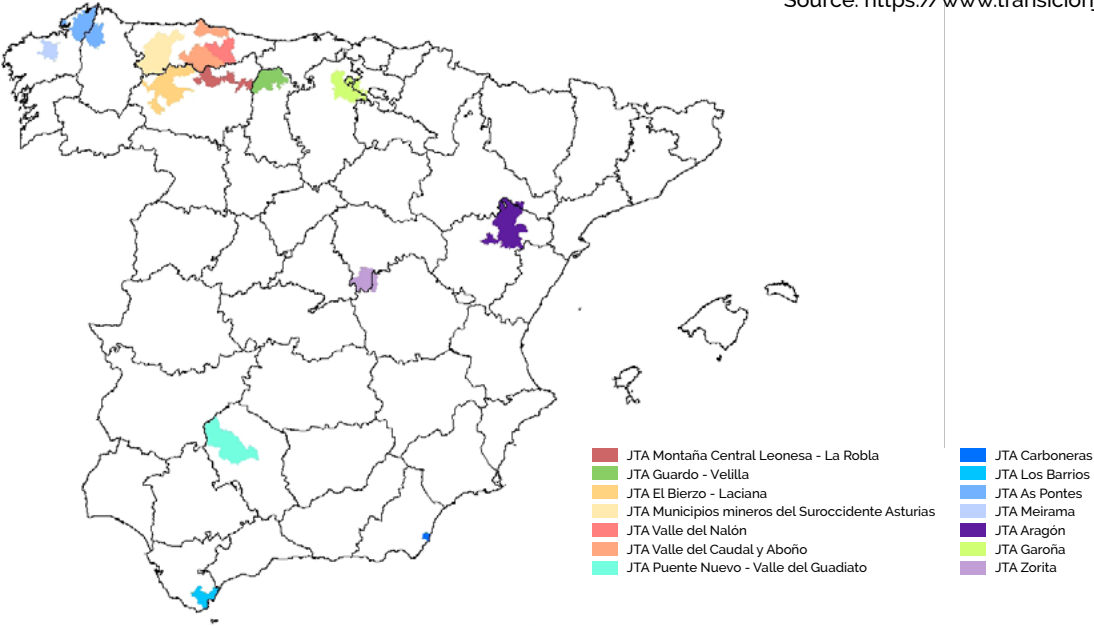
Laura Martín Murillo
Director of the Just Transition Institute
(Spanish abbreviation: ITJ)

"For the first time, as part of previous restructuring policies, we have made a commitment to zero final impact on employment and the population. And that's quite an ambitious target of the just transition agreements".



Just Transition Agreements in Spain

Source: <https://www.transicionjusta.gob.es>

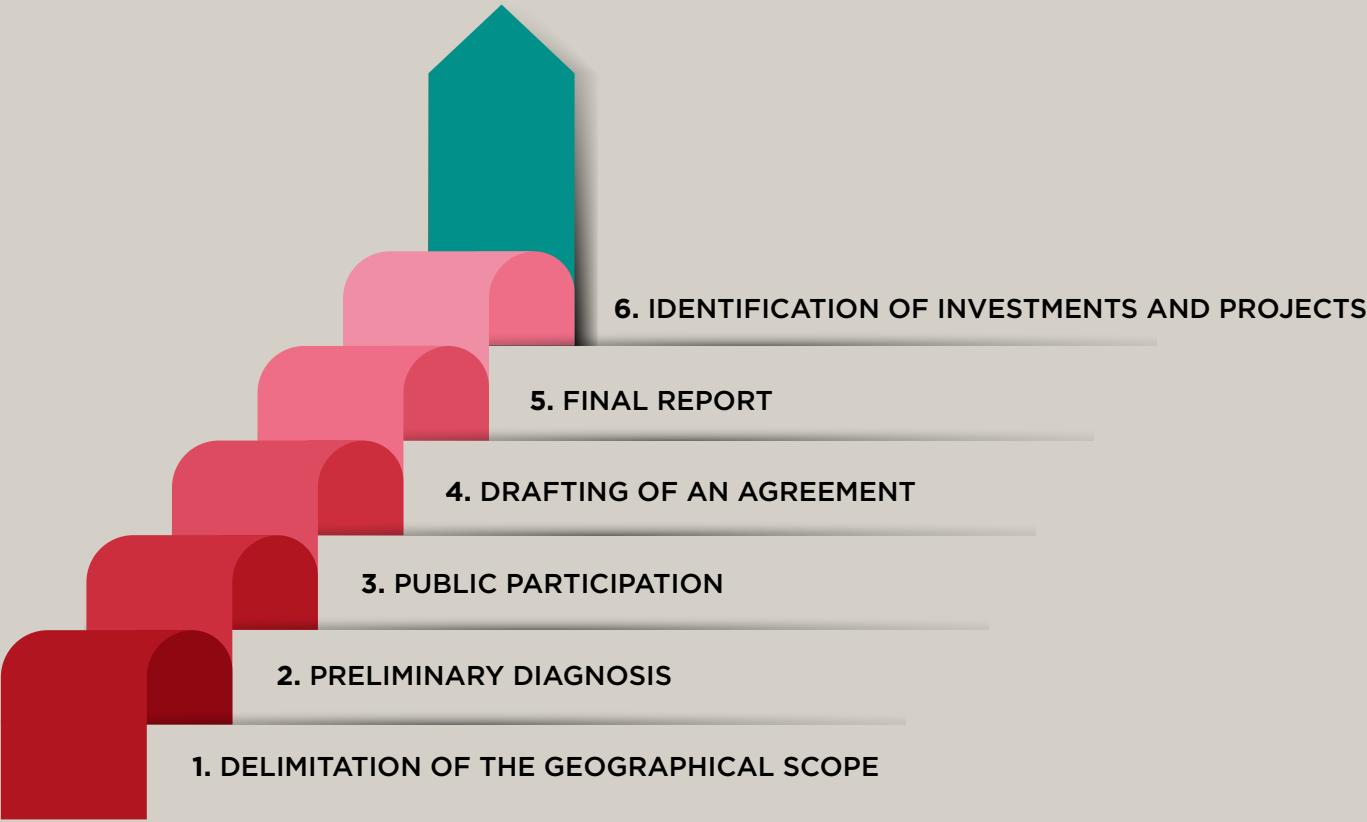


Status of Just Transition Agreements as of March 2022

Autonomous Communities	AGREEMENTS	PROTOCOL	DIAGNOSIS		PARTICIPATION PROCESS		
		Date of signature	Preliminary diagnosis and delimitation	Definitive diagnosis	End date	Nº players involved	Nº proposals submitted (ideas+projects)
Aragón	Aragón	22/05/2020	Yes	Yes	07/06/2020	67	173
	Southwest	25/03/2020	Yes	Yes	13/12/2019	42	85
Asturias	Caudal-Aboño	25/03/2020	Yes	Yes	21/06/2020**	60	96
	Nalón	25/03/2020	Yes	Yes	21/06/2020	47	69
Castilla y León	Bierzo-Laciana*	12/11/2020	Yes	Yes	31/07/2020	163	415
	MCL-La Robla	12/11/2020	Yes	Yes	31/07/2020	69	160
	Guardo-Velilla	12/11/2020	Yes	Yes	31/07/2020	71	247
CyL-P. Vasco	Garoña	12/05/2021	Yes	Yes	20/06/2021	48	147
Andalucía	Carboneras	09/03/2021	Yes	Yes	06/09/2020	24	60
	P. Nuevo-V. Guadiato	09/03/2021	Yes	Yes	31/07/2020	38	182
	Los Barrios	09/03/2021	Yes	Yes	30/04/2021	20	53
Galicia	Meirama	10/11/2021	Yes	Yes	31/07/2020	36	65
	As Pontes	10/11/2021	Yes	Yes	08/06/2021	38	58
Castilla-La Mancha	Zorita	24/11/2020	Yes	Yes	31/01/2021	42	77
					TOTAL	765	1.887
Baleares	Alcúdia	09/03/2022	Yes	Yes	Expected in March 2022		

* For the CTJ of Bierzo-Laciana 4 different participation processes were launched.
** A specific participatory process for the Aboño area is to start soon.
*** Participation data has been updated to March 2022. Despite the fact that the participatory processes have formally ended, contributions are still being received. Figures are subject to change as information is processed and project status progresses.

Phases of a Just Transition Agreement



Urgent action plans

Coal mining. In 2010, the European Union decided to close all uncompetitive coal mines, which meant almost every mine in Spain. At the beginning of that year, the mines affected by the closures belonged to 9 companies (with 13 production units), distributed around the provinces of Asturias, Palencia, León and Teruel, with a own workforce of 1,833 plus 565 subcontractors.

*The European Union
set a deadline of 31
December 2018 for closing
uncompetitive coal mines.
In Spain, this meant the
closure of almost every pit
in the country.*

Dumpsite from a former coal mine currently under rehabilitation in the province of Teruel

Coal-fired power stations. They have also come under the Urgent Action Plan as a result of Directive 2010/75/EU, which reduces atmospheric emission limits for certain pollutants, the high cost of CO₂ in the emissions allowance market and the focus of EU energy and de-carbonisation policies.

Nuclear power plants. The closure of this type of plant responds to the fulfilment of a previous calendar that takes into consideration the useful life of the installations, agreed beforehand between the players involved. Despite this, neither the José Cabrera nuclear power plant (Guadalajara), already decommissioned, nor the Santa María de Garoña plant (Burgos), in decommissioning phase, had a territorial reactivation plan, which is why they were included in the Urgent Action Plan.

View of the coal-fired power station in Andorra (Teruel) under decommissioning



A former worker holds a piece of lignite coal extracted in the area of Andorra (Teruel)

Tripartite Agreements

Linked to the Urgent Action Plan, **two important tripartite agreements** have been signed:

- The Framework Agreement for a Just Transition of Coal Mining and the Sustainable Development of Mining Regions, 2019-2027, signed by the Government of Spain, the trade unions CCOO, UGT, USO and the National Federation of Coal Mining Employers (Carbuni3n).
- The Agreement for a Just Energy Transition for Thermal Power Plants in Closure, signed by the Spanish Government, the trade unions CCOO, UGT, USO and the companies that own the plants in closure (Endesa, Iberdrola, Naturgy and EDP).

There are 14 Just Transition Agreements in place, covering 184 municipalities in seven autonomous communities: Galicia, Asturias, Basque Country, Castilla y Le3n, Castilla-La Mancha, Arag3n and Andalusia.

Funds and investments

In order to reactivate the areas included in the Agreements, significant funds and investments have been mobilised for five lines of action through the ITJ between 2018 and 2022 (source: ITJ):

- **Business projects:** €33.1 M in aid for 270 business projects set to create 1,258 jobs.
- **Municipal initiatives to promote the economic activation of the territory:** €5.5 M for 15 projects and the creation of 160 jobs.
- **Improvement of municipal infrastructures** (energy optimisation, modernisation of industrial estates, creation of social facilities, etc.): €108.6 M for 102 projects and the creation of 237 jobs.
- **Restoration of land degraded by mining activity:** €191.7 M in aid for 13 projects with a potential of 515 jobs.
- **Social plan for coal mining workers** (early retirement, voluntary redundancy, unemployment benefits, etc.): The ITJ has granted aid for the early retirement of 323 workers amounting to €19 M, approximately €126 M of which is the total cost of keeping these workers in the system. The figure for the funds compensated on 31 December 2021 is €540,000.

A total of €338.9 M has been invested to support 400 projects in the Just Transition Agreement territories, with a potential for 2,170 jobs.

Funds allocated to companies 2021

Autonomous Communities	Number of projects	Eligible investments (M€)	Jobs to be created	Funds allocated (M€)	% of the allocated funds over the total investment
ARAG3N	36	49.5	199	4.7	9%
CASTILLA-LA MANCHA	4	6.5	42	1.7	26%
CASTILLA Y LE3N	20	42.1	166	4.9	12%
ASTURIAS	70	37.5	220	6.2	16%
TOTAL	130	135.7	627	17.5	13%

Source: Just Transition Institute Memory 2021

Experiences and testimonies from three territories in transition: Asturias, León and Teruel

Asturias, León and Teruel are provinces with a long-standing mining tradition, closely linked to thermal generation, where coal mining has been a major economic activity for decades. The exploitation of the mines has profoundly transformed the landscape of the coal-producing territories, leaving its mark on the character of its people.

"I see a process of decline from years ago because this was the driving force behind the economy in the province of León, as it was in Asturias. Here, they created a monoculture, which was dedicated to mining, especially in the Upper Bierzo region, and there was no alternative".

Manuel García
former miner from Bembibre



Ángel Villén and Nicolás Bespín worked at the coal-fired power station in Andorra (Teruel) until its closure in 2020

View of the coal-fired power station of Lada,
in Langreo (Asturias)



Asturias

Coal mining has marked the last two centuries in Asturias, turning the struggle of its miners into a reference point in the history of the workers' movement in Spain. For this reason, Asturias has three just transition agreements: two for municipalities in its central mining basins, Nalón and Caudal, affected by the closures of the last pits in Laviana and Aller and by the closure of the Lada thermal power station; and a third in the south-west, caused by the closures of the mines in Cangas del Narcea, Tineo and Degaña and the Soto de la Barca thermal power station.

Important population centres developed around the mines, as well as a flourishing metallurgical industry. As a result, Mieres had 70,000 inhabitants in the 1960s and Langreo more than 65,000. Now, the region is losing inhabitants year after year and its population has practically halved, says the Mayor of Mieres, Aníbal Vázquez. *"This is the municipality that had possibly the highest number of pits in Spain. It had nine mine shafts. There is now only one, which will probably be closed this year"* says Vázquez.

Another of the icons to be changed as a result of the energy transition will be the La Pereda thermal power station, owned by Hunosa. It will change from burning coal to biomass. The aim is to maintain current employment at the plant and generate 200 new jobs in forestry management in Asturias.

Vázquez is sceptical about the aid that may come through the agreements because with past funds *"little was done"* and because town councils like

his are not capable of managing large projects. However, he remains hopeful that Mieres will once again become an energy reference point. *"Just as we were the cradle of mining in this country, we want to continue to have something to do with energy, in this case with renewable energies"*, he says, thinking of the campus the University of Oviedo has in the town, which the town council would like to strengthen and turn into a reference in energy research.

"It is indeed complicated for local councils", agrees Belarmina Díaz, Director General of Mining and Energy of the Principality of Asturias. *"It is very difficult for municipalities that have hardly any staff to carry out projects with the mining funds"*.

"This is an accelerated transition", adds Gerardo L. Argüelles, head of occupational health at CCOO Asturias. *"We support the agreements, but they have come too late"*, he adds. For Argüelles, one of the main challenges is to learn from past mistakes, as previous restructuring funds failed to reconvert the region's production model. *"We believe that a roadmap should be drawn up, that it should have been done first, with projects, with money and with a public-private initiative in which Hunosa, as a public energy company, would be the backbone of the other projects"*, he explains. *"We don't want aid or subsidies, we want projects that create employment,"* he continues. *"We know that the jobs that were under ground will not be able to be brought to the surface, but we will try to recover some of those jobs in the industrial sector"*, adds Esther Barbón, General Secretary of the Regional Union of CCOO of El Nalón.



Belarmina Díaz

Director General of Mining and Energy
of the Principality of Asturias

PROJECTS PROMOTED IN ASTURIAS

Some of the subsidised business projects in Asturias include a plastics recycling plant and a senior citizens' centre in Langreo; the creation of a day centre in San Martín del Rey Aurelio, tourist accommodation in Salas and the installation of a wood drying and heat treatment plant using a boiler with renewable fuel in Tineo.

Right: Headframe from the former mine of Pozo Fondón (Langreo - Asturias), property of the company Hunosa

The Director General of Mining agrees that, *"Spain has the obligation to make a good energy transition, because it can be a model, in both the good and the bad aspects, for the rest of Europe"*, she says. *"We are ahead of other countries and Europe cannot allow this energy transition to be unfair or to fail, because that would mean that other territories would hesitate to go down the same road"*.





Daniel Heras, Isidro Álvarez and Manuel García used to be miners in the El Bierzo region (León)

León

Coal-related activities in León were mainly located in the Central Mountains and in the regions of El Bierzo and Laciana. The closure of the last mines and thermal power stations has led to two just transition agreements in the province: that of Montaña Central Leonesa-La Robla, due to the end of activity in the mines of La Pola de Gordón and the closure of the mines and thermal power station of La Robla; and that of Bierzo-Laciana, as a result of the closure of the mines of Fabero, Toreno, Torre del Bierzo and Villablino, and the disconnection of the thermal power stations of Cubillos and Páramo del Sil.

"The closure of Compostilla was a blow to the already weak economy of a territory that had been undergoing reconversion for 50 years", says the Mayor of Cubillos del Sil, Antonio Cuellas. He goes on to point out that, as in other mining municipalities, his town's population has fallen and the remaining population is ageing. However, he is optimistic about the future. *"Now we can see the glass as half full. Now we can see an outlook we couldn't see in 2019",* he points out, in reference to the plans included in the Just Transition Agreements that will allow the exploitation of the town's tourist resources as part of the so-called 'Forgotten Way' of Santiago and the development of energy projects such as photovoltaic power.

Compostilla will also be one of the main sites of the so-called "Plan Futur E" Endesa has designed for the conversion of its coal-fired plants. The plan will also include Andorra (Teruel), As Pontes (A Coruña) and Carboneras (Almería). In particular, the

opening of a new recycling plant at the Compostilla complex, which will process over 6,000 tonnes per year of glass and carbon fibre from wind turbines, has already been confirmed and is expected to be operational in 2023. *"A collaboration agreement has been signed with several entities, including Endesa, Reciclalia, and us, to seek recycling through two lines of action: one for blades already produced that have reached the end of their useful life [...]; and another for recycling production waste",* explains Jorge López Caloto, head of the wind turbine blade manufacturing plant run by LM Wind Power in Ponferrada.

The long years of restructuring in the sector are weighing down the expectations of the inhabitants in mining areas. Daniel Heras, 44, was one of the last miners to leave the region's mines when all the pits closed in 2018. After 22 years under ground, Heras was able to take the early retirement scheme and considers himself lucky. However, he says that those who will have a hard time will be the future generations who want to stay in the region. *"El Bierzo has been decimated in terms of employment," he laments. But what have they left us here? Nothing, pits, dumps. There's no work for young people",* he continues. Heras is resigned to the fact that his 19-year-old daughter will leave home when she finishes her higher education. *"A lot of people have emigrated from here in twenty years; it's annoying that people are leaving and that the town is shrinking instead of growing",* he says.

Isidro Álvarez, also a former miner, has already seen one son leave for Valladolid, while his

youngest daughter has been unemployed for three years after finishing her nursing degree. *"She hasn't been called up even for COVID, not even to cover for holidays. So she's going to have to think things out, but it's something she doesn't want to do, because she wants to stay in El Bierzo, or at least in León",* he explains. Álvarez, who took early retirement in 2003, only experienced the first phases of the restructuring of the mines. He complains that in the past, these restructuring plans were not done well. *"The development of the area in recent years has been very bad, and it's getting worse and worse. The investments that should have been made haven't been made. There's been money but the investments have been very poorly made",* he says.

PROJECTS PROMOTED IN LEÓN

Among the business ventures supported by the ITJ in León, we can highlight: the start-up of a social and health care centre for the elderly in Igüeña; the promotion of active tourism activities taking advantage of the natural resources of the Babia region in the municipality of Cabrillanes; the installation of two veterinary hospitals in Ponferrada and Villablino; and the construction and equipping of a research and development laboratory and the manufacture of dermatological health and veterinary products in Matallana de Torío.



Facilities of the Center for the Memory of Mining in Ariño (Teruel) located in the former mining village

Teruel

Teruel's last coal mines are located in the municipalities of Ariño and Estercuel, in the region of Andorra-Sierra de Arcos, and in Foz-Calanda, in the region of Bajo Aragón. The municipality of Andorra, in Sierra de Arcos, has housed the "Teruel" thermal power station since 1981. These four towns, together with some thirty others in the same regions and the neighbouring regions of Bajo Martín and Cuencas Mineras, make up the scope of the Just Transition Agreement of Aragón, the first to be set up in the whole of Spain.

The Andorra Thermal Power Plant site is the venue for the first renewables auction that is to reallocate access to the power grid freed up after the plant's closure. The closure of the Andorra thermal power plant freed up more than 1300 MW in the so-called 'Nudo Mudéjar 400 kV', 1200 MW of which were put up for public tender in November 2021. The tender was open to projects consisting of one or more power generation modules, with renewable energy sources, located in one of the 34 municipalities in the Aragón Just Transition Agreement.

Nicolás Bespín, 50 years old, worked at the Andorra plant for over three decades, carrying out various tasks, always under subcontract. *"The power plant was everything for Andorra. It was a work centre operating 24 hours a day, 365 days a year. I always say that those of us who worked there are a product of electricity"*. With the closure in 2020, Bespín was out of work for eight months until he returned to the plant, first in the decommissioning work and then as a watchman.

He sees the future as complicated. *"In Andorra, if you want to work, you can. But it's not continuous work, it's not a stable job"*, he says. *"I have some hope that this will come alive again. But right now in Andorra, we can't talk about ten years from now. With the thermal plant, yes, because there was a future and you knew you were earning your money and had peace of mind with good working hours"*. His two former colleagues, José Antonio Crespo and Ángel Villén, are of the same opinion. *"When the plant closed, they should have had something ready"*, complains Ángel Villén, who also spent six months unemployed before finding work at a clay company. *"I just hope that the promises will come true and that we and our children can have a job here"*, he continues.

PROJECTS PROMOTED IN ARAGÓN

Funding is being provided in Aragón for the installation of a production plant for rubber granules and powder from recycled tyres in Escucha; the creation of a non-hazardous waste management centre in the municipality of Andorra; the construction and equipping of a nut-shelling plant in Albalate del Arzobispo; the extension of an oxalic acid factory in Alcañiz (Teruel); the installation of a manufacturing and R&D plant for reactors for the inertisation of solid urban waste in (Teruel); and the construction of a chemical plant in Urrea de Gaén (Teruel), among others.

Conclusions

Spain's Just Transition process began with a challenging context. Many of the territories included in the Agreements today were already undergoing reconversion and re-industrialisation processes with goals and objectives that were often not achieved, leading to discouragement and frustration among inhabitants, as well as a profound lack of confidence in the future.

The labour market forged around the coal industry, which was the productive monopoly in many of these regions for decades, created a close dependence of the worker on the large mining companies. The energy companies that owned the thermal power plants that followed inherited this relationship to a large extent. The policies of subsidies and early retirements, implemented by successive governments in the absence of adequate development plans have done little to encourage productive diversification initiatives in these regions.

Therefore, there is a climate of scepticism, and the Just Transition Agreements are sometimes seen as late and insufficient, with complaints about the slowness of the process and the limited role played by the public administrations.

However, in spite of these challenges, the people of the territories included in the Agreements show commitment to them. They are participating in the consultative processes, making proposals and suggesting new initiatives, some of which have resulted in specific projects that should help bring a new boost to these regions.

The Spanish government has made a very significant financial and policy commitment to the success of these Just Transition processes, likely to bear significant fruits in years to come, creating employment and other economic benefits in areas most at need. Spain's pioneering approach deserves congratulation and continued evaluation, and other countries facing very similar challenges can surely learn much from its example.

Factory of wind turbine blades belonging to the company LM Wind in Ponferrada (León)

