



NORGES BANK

**Grounds for decision:**

**Revoked exclusions and observations ended – product-based coal criterion**

1 July 2021

## Background

Reference is made to Grounds for decision – Product based coal exclusions, 21 December 2016<sup>1</sup> and 13 May 2020<sup>2</sup> where we presented the methodology behind the observation and exclusion of companies, including the exclusion of Empire District Electric Company and Anglo American PLC as well as the observation of EDP - Energias de Portugal S.A., Endesa S.A., Portland General Electric Co (PGE) and Enel SpA.

## Revoked Exclusions

In 2016, we assessed that Empire District Electric Company's coal power output exceeded 30 per cent of total power output. Since then, the company has sold or closed all coal power capacity. As such the company is no longer relevant for exclusion based on the coal criterion.

In 2019, we assessed that Anglo American PLC's thermal coal extraction exceeded the absolute threshold of the coal criterion. Since then, the company has completed a demerger of its thermal coal operations in South Africa. Consequently, the company no longer meets the threshold of the absolute coal criterion.

Table 1: Revoked exclusions

<b>Name</b>	<b>Country</b>
Empire District Electric Company	United States
Anglo American PLC	United Kingdom

## Observations ended

In 2016, we assessed that EDP – Energias de Portugal S.A.; Endesa S.A. and Portland General Electric Co should be put on observation due to the levels of their coal power output and uncertainty related to the use of alternative fuel sources, as well as plant closure plans going forward. Since then, these companies have reduced their power output from coal to levels where the observation status is no longer required.

In 2019, we assessed that Enel SpA should be put on observation due to its coal power capacity, combined with forward guidance from the company related to its coal phase-out plans. Since then, Enel has reduced its capacity and power output from coal to levels where the observation status is no longer required.

<sup>1</sup> <http://www.nbim.no/contentassets/d99e60bdb5794272ae0df58d79da0d65/20160414-grounds-for-decision--product-based-coal-exclusions.pdf>

<sup>2</sup> <https://www.nbim.no/en/the-fund/news-list/2020/exclusion-and-observation-of-coal-companies/>

*Table 2: Observations ended*

<b>Name</b>	<b>Country</b>
EDP – Energias de Portugal S.A.	Portugal
Endesa S.A.	Spain
Portland General Electric Co (PGE)	United States
Enel SpA	Italy