

PLAN FOR COAL (ENG)

FRAMEWORK AGREEMENT FOR A
FAIR TRANSITION OF COAL
MINING AND SUSTAINABLE
DEVELOPMENT OF THE MINING
COMMUNITIES FOR THE PERIOD
2019-2027

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1. INTRODUCTION

This Agreement establishes the bases of the necessary measures for a fair transition of coal mining and mining communities as of December 31st, 2018, taking into account the situation of the sector and the completion of the aid aimed at covering mining operations losses, in accordance with the requirements of European regulations, for the period 2019-2027.

Likewise, it intends to promote actions that contribute to the reactivation of Mining Communities, as well as to environment improvement, through new actions consistent with the current energy transition process.

Council Decision 2010/787/EU of December 10th, 2010 on state aid to facilitate the closing of non-competitive mines (hereinafter the Decision) has limited until 2018 the possibility of Member States granting aid to cover costs related to coal destined to electricity production.

Any mining that has reached competitive conditions before 2018 may continue to operate after the established date and shall return the aid received in the period 2011-2018 as provided for in the aforementioned Decision.

Beyond 2018 and wherever coal-based power generation is maintained, the use of competitive native coal shall be promoted, as a way of favoring the maintenance of mining activity and employment, since it is the only native fuel able to contribute to supply security.

In 2018, coal production is located in areas of the Autonomous Communities of Aragon, Castile and Leon and Principality of Asturias, areas that still maintain a high level of economic dependence on the coal mining industry, despite significant efforts made by the latest Coal Plans and the 2013-2018 Action to encourage alternative activities in mining communities.

The closing of non-competitive mines planned before 2019 shall inevitably produce social consequences in the territories, to ease these, the Decision allows financing exceptional costs: social, environmental measures, as well as measures aimed at promoting an alternative economy in mining areas. The number of owned payroll workers provided by companies in the sector, which are located in the three Autonomous Communities mentioned above (Aragon, Castile and Leon and Principality of Asturias), is estimated around 1,700 as of December 31st, 2017.

In this context it is necessary that social measures adopted in Royal Decree 676/2014, of August 1st, *which establishes the system of aid for labor costs to cover exceptional costs linked to plans for the closing of production units of coal mining companies*, be updated in order to facilitate aid access to a significant volume of workers with extensive professional experience in coal mining and significant physical wear, while articulating solutions to those workers who continue in the companies that remain developing its work beyond 2019.

Additionally, it must be taken into account that in some mining communities there is a high unemployment rate and limited job reintegration opportunities, which together with the critical situation of companies in the sector significantly limits the maintenance of certain employment level beyond December 31st, 2018.

The circumstances described, among which have a special significance the difficult labor reintegration and the economic situation of private coal mining companies, make it necessary to expand the number of recipients of the aid planned for this purpose in the cited Royal Decree 676/2014, of August 1st, by making the requirements to access this aid more flexible. It is about helping mining companies, putting up with the cost of reducing owned payroll, so that workers are enabled to access pre-retirement aid, which, otherwise, they could not benefit from.

It consists, in short, of addressing the social and regional impact that these closing processes entail, supporting companies, extending the scope of social measures covered by Section 4 of the aforementioned Decision, while also maintaining the targeted measures to boost mining communities economically and encourage employment in the affected mining municipalities, in addition to being able to provide flexibility, within the framework of the applicable regulations, to companies that continue with the extraction of coal from 2019 and that have to face the return of the aid received under the Decision 2010/787/EU.

2. OBJECTIVES

The new Framework Agreement for a Fair Transition of Coal Mining and Sustainable Development of the Mining Communities for the period 2019-2027 is configured as a planification instrument of public policies for the reorganization of coal mining and promotion of an alternative economy in mining areas in the scenario established by the Decision. To the extent that electricity generation based on coal is maintained beyond 2018, competitive native coal shall have place in this generation.

The measures within this Agreement are intended to contribute to the process of sectorial restructuring that has been framed in the different European regulations on coal industry, originally under the ECSC Treaty until its expiration in 2002, later in the scope of Council Regulation (EC) No. 1407/2002, on state aid to the coal industry and currently within the framework of Council Decision 2010/787/EU.

These measures are framed in a process of fair transition faced with the progressive decarbonization, in a context of intense debate on European energy policy and the setting of ambitious environmental objectives for the energy sector.

The ultimate goal of these measures is the economic recovery and alternative development of the mining communities to achieve their structural transformation, economic recovery and social well-being, as well as flexibility in the conditions required for the companies that want to continue extracting coal as of 2019 and that have to face the refund of aid received under Decision 2010/787/EU.

It also seeks to mitigate the impact produced by the loss of jobs and the consequences of the closing of those coal production units that cannot or do not wish to continue in the regional economy. Given the high concentration of coal mines in Spain it aims, in short, to address the harmful effects that the closing of coal mines that do not continue as of 2019 may cause in regional labor markets, with a possible overload of unemployed in the mining sector.

To this end, the lines of aid are maintained to encourage the development of business projects that generate employment and the support for the creation of infrastructures linked to the same, that allow the hiring of workers that are unemployed as consequence of mining cessation.

Likewise, it is agreed that the design of specific measures for the training of workers in coal mining and the maintenance of aid that contribute to the coverage of exceptional costs linked to the closing contemplated in the community regulations.

3. SCOPE

The temporal scope of the Agreement includes the approval of exceptional measures for its application in the 2019-2027 period, although, to each line of aid, and depending on their characteristics, it corresponds a different period of validity within that time frame:

- Exceptional measures for companies: 2019-2025.
- Reactivation measures of the mining communities: 2019-2027

The territorial scope is constituted by the geographical areas in which the coal extraction takes place, as defined in Section 1 of the Decision, belonging to the Autonomous Communities of Aragon, Principality of Asturias, and Castile and Leon and to the municipality of Puertollano.

As for the business field, these measures shall be applied to all those companies that have received aid for current production and shall contribute to cover exceptional costs that have occurred and are produced as a result of the closing of production units listed in the Annex.

The state-owned company Hulleras del Norte, S.A. (HUNOSA), for its special characteristics and its particular relevance in the sector and in the Asturian Central Basin, shall be subject to its own Business Plan, with its own characteristics regarding Social Plan and specific agreements in the area of mining communities reactivation of the Asturian Central Basin and its transition to a new economic model.

4. CARBON SECTORIAL POLICY: NORMATIVE FRAMEWORK

The aforementioned Council Decision 2010/787/EU of December 10th, 2010 concerning the State aid to facilitate the closing of non-competitive coal mines, established a new European regulatory framework for the European Union policy applicable to coal aid, changing its orientation and assuming a transition, for application to the coal sector of the general rules on state aid applicable to all sectors.

As of December 31st, 2018, the participation of national coal in power generation shall depend on the coal production of the effective and competitive production units, which should proceed, where appropriate, to the return of aid as indicated in section 3.3 of the aforementioned Decision.

Furthermore, the Decision allows measures to be taken to mitigate social and regional consequences that entail the closing of the mines, through the *Aid to cover exceptional costs* regulated in Section 4, as well as in the annex to which it refers, where the different types of costs that can be subsidised are described.

Considering that regulation of the European Union's sectorial coal policy, on October 31st, 2013 the "Framework Plan for Coal Mines and Mining Communities 2013-2018" was signed among companies, unions and the former Ministry of Industry, Energy and Tourism.

For the execution of the actions contemplated in said framework, the following regulatory aid standards that, under the General State Budget, has supported the sector, were developed:

- Social assistance for workers due to labor costs through compensation payments and early retirements
- Royal Decree 676/2014, of August 1st, which establishes the aid scheme for labor costs to cover exceptional costs linked to closing plans of coal mining company's production units.
 - Royal Decree-Law 9/2015, of July 10th, on urgent measures to reduce the burden tax rate borne by the taxpayers of the Individuals Income Tax and other economic measures (Section 7 "exceptional measures of social and voluntary nature in favor of workers of non-competitive coal mining companies").

- Aid to companies to compensate for losses in the fiscal year due to power generation produced coal and exceptional environmental restoration costs triggered by the closing of mining operations.

- Order IET/2095/2013, of November 12nd, laying down the regulating bases of aid for the years 2013 to 2018 specifically aimed at covering the losses of the current production of units included in the Closing Plan of the Kingdom of Spain for non-competitive coal mining and makes the aid calling for the year 2013.

- Order IET/1424/2014, of July 28th, which modifies previous regulatory bases in order to introduce a new additional aid in the 2016-2018 period for all companies in the sector (underground and open pit mining), in order to compensate for the decline in competitiveness of national coal with respect to imported coal as a result of the price development of coal in the international markets since 2013.

- Aid to companies for environmental restoration.

- Order IET/594/2014, of April 10th, approving the regulatory bases for the 2013 to 2018 years of aid specifically designed to cover exceptional costs that occur or have occurred due to the closing of units of coal production included in the Closing Plan of the Kingdom of Spain for non-competitive coal mining.

- Aid to the Autonomous Communities for infrastructure development and restoration of areas deteriorated due to mining activity.

- Royal Decree 675/2014, of August 1st, which establishes the regulatory bases of aid for the economic boost of the coal mining communities, through the infrastructure project development and zone restoration projects deteriorated due to mining activity.

- Aid to non-mining companies for the development of employment generating projects in the mining communities.

Order IET/1158/2014, of June 30th, of bases for the granting of aid destined to finance business projects generating alternative employment in mining areas for the 2014-2018 period.

- Order IET/1157/2014, of June 30th, of bases for the granting of aid destined to finance small investment projects generating alternative employment in mining areas for the 2014-2018 period.

5. THE SECTOR

5.1. THE PREVIOUS PLANS

The coal mining sector in Spain has been experiencing in recent decades a constant process of restructuring and modernization, framed within the different European regulations on aid to coal industry: first in the scope of the ECSC Treaty (Decision No. 3632/93/ECSC of the Commission, of December 28th, 1993, concerning the community regime for the contributions of Member States in favor of carbon industry); and then, within the framework of the European Union, with Regulation (EC) No. 1407/2002 of the Council, of July 23rd, 2002, on state aid to coal industry, and with the Current Council Decision 2010/787/EU of December 10th, 2010 on aid intended to facilitate the closing of non-competitive mines.

By applying these regulations, different restructuring and modernization plans of coal mining have been approved in our country: Restructuring Plan of Coal Sector 1990-1993; Modernization,

Rationalization, Restructuring and Reduction Plan for Activity of the Coal Industry 1994-1997; 1998-2005 Coal Mining Plan and Alternative Development of the Mining Communities; the National Coal Strategic Reserve Plan 2006-2012 and New Model of Integral and Sustainable Development of the Mining Communities, that was effective until December 31st, 2012; and the Scope of Action for Coal mining and mining communities in the 2013-2018 period, that shall be effective until December 31st, 2018.

All these plans initiated in 1990 led to a significant reduction of the number of companies in the sector, of coal production, of the number of employees and of the volume of aid, while the complementary and alternative employment generated has not managed to complete the change of the socioeconomic and industrial structure of Mining Communities.

Thus, the business sector with 234 mining companies that employed 45,212 workers and that produced 19.32 million tons in 1990, became a business sector of 15 mining companies, with a payroll of near 3,400 owned workers and a coal production of 6.5 million tons in 2012 and, at the end of 2017, a business sector with a production of around 3 million tons and an owned payroll, including that of the state company HUNOSA, around 1,700 workers, which has led to increasing unemployment (especially youth unemployment), and an alarming depopulation of the mining territories.

5.2. PRELIMINARY ASSESSMENT OF COMPLIANCE WITH THE SCOPE OF ACTION 2013-2018

The Scope of Action for Coal Mining and Mining Communities 2013-2018 is set up as an instrument for planning the reorganization policies of the coal mining sector and promotion of an alternative economy in mining areas in the scenario established by the aforementioned Decision.

It also allowed to take measures to mitigate social and regional consequences due to restructuring and to the different closing of mining operations, as well as encouraging the recovery of mining communities by promoting the development of business projects and the provision of infrastructure as a means of employment incentive, measures that have failed to prevent the increase of depopulation, the decrease in activity and employment in the mining communities. The regulatory bases detailed above were adopted for the execution of the different aid lines, which have allowed the granting of aid in the different lines that are described below.

5.2.1 Support for closing under Section 3 of Decision 2010/787/EU

This is an aid designed for an ordered manner closing of loss-making mining operations following a decreasing path, being the amounts paid to the companies of the sector, within the Scope of Action and until the fiscal year 2017, those reflected in the following table:

MINING COMPANY	YEAR 2013 ^	YEAR 2014	YEAR 2015	YEAR 2016	YEAR 2017
Carbonar,S.A.	6,410,743.12	5,530,572.00	4,210,822.46	3,834,204.89	694,666.47
Carbones Arlanza , S.L.	297,549.82	573,609.89	274,916.68	223,893.65	0.00
Cía. Minera Astur Leonesa, S.A.	0.00	0.00	6,296,976.17	0.00	0.00
Compañía General Minera de Teruel, S.A.	140,313.41	33,585.28	0.00	551,555.00	0.00
Empresa Carbonífera del Sur, ENCASUR, S.A.	689,229.32	212,091.33	0.00	0.00	0.00
Hijos de Baldomero García, S.A.	1,317,553.81	1,796,185.24	1,173,881.46	859,307.38	335,800.50

Hullera Vasco-Leonesa, S.A.	15,129,707.51	6,453,490.41	0.00	0.00	0.00
Hulleras del Norte, S.A. (HUNOSA)	6,255,571.08	4,461,342.80	1,219,438.36	2,173,183.43	238,840.53
Minas del Bierzo Alto, S.L.	0.00	0.00	0.00	379,937.77	0.00
S.A. Minera Catalano Aragonesa	8,185,702.94	7,000,194.97	6,215,520.09	9,732,534.94	0.00
Unión Minera del Norte,S.A.	0.00	6,928,471.85	8,321,636.44	7,962,684.63	0.00
TOTAL	38,426,371.01	32,989,543.77	27,713,191.66	25,717,301.69	1,269,307.50

Updated September 9th, 2018

Aid granted and paid is included, possible regularizations or variations by judgements not included.

The considerable reduction in the amount of these aid in the fiscal year 2017 regarding previous years, is due to the bankruptcy of several companies, as well as the closing of underground production units and the lack of aid for open pit operations.

The Calling for aid for the fiscal year 2018 has been published in the Official Gazette dated September 25th of the current year.

5.2.2 Exceptional costs to cover early retirements and severance payments pursuant to Section 4 of Decision 2010/787/EU

Based on the data in the records of this body and those provided by beneficiary companies, the following aid has been granted during the 2013-2018 period:

- **For labor costs for elderly workers** in favor of private mining companies that aim for 395 workers, the amount of which is estimated at 158 million euros, calculated on the basis of an average stay in the early retirement system of about twelve years. This aid is regulated by the provisions of Royal Decree 676/2014, of August 1st, cited above.

Likewise, early pre-retirement aid has been granted under Section 7 of Royal Decree-Law 9/2015, of July 10th, also mentioned, whose recipients were 349 workers, with an estimated amount of 124 million euros, considering a system continuity of fourteen years.

Up to now, during 2018, 60 recipients have been granted aid, 20 to elderly workers for labor costs and 40 for early retirements.

As a result, a total of 804 workers have been pre-retired in the 2013-2018 period.

- **Regarding voluntary severance payments** regulated in the foregoing rules, it should be noted that 231 workers have been paid for a total amount of 9.4 million euros.

However, settlement of aid granted in favor of 404 workers remains pending for an estimated amount of 23.8 million euros. In the fiscal year of 2018 the granting of severance payments in favor of five workers and the payment to twenty-nine recipients who have extinguished their employment relationship with the company in this fiscal year is being processed. Therefore, 375 workers who have been granted this aid maintain their labor relationship with companies.

The data referring to the 2014-2018 period is detailed in the following table:

Granted and paid severance payments	Total of payments (€)	N° of leaves
2014-2015	2,726,016.08	66
2016	1,984,711.06	63
2017	4,674,633.47	102
TOTAL	9,385,360.61	231
Granted and unpaid severance payments	Pending payments (€)	N° of leaves
Total	23,836,000	404

Concession proceeding		No. of leaves
2018		5

As a result, and according to the information provided by mining companies, the **payroll of the sector** as of September 25th, 2018, is as follows:

PRIVATE MINING COMPANIES	PAYROLL SEP 2018
CARBONAR, S.A.	43
CARBONES ARLANZA, S.L.	0
CARBONES DEL PUERTO, S.A.	0
C. M. ASTUR LEONESA, S.A.	153
CÍA. GENERAL MINERA DE TERUEL, S.A.	12
ENCASUR, S.A. (PUERTOLLANO)	14
ENDESA GENERACIÓN, S.A. (ANDORRA)	1
HIJOS DE BALDOMERO GARCÍA, S.A.	11
HULLERA VASCO-LEONESA, S.A.	74
LA CARBÓNÍFERA DEL EBRO, S.A.	0
MINAS DEL BIERZO ALTO, S.L.	0
S.A. MINERA CATALANO ARAGONESA	103
UNIÓN MINERA DEL NORTE, S.A.	111
TOTAL	522

5.2.3 Exceptional costs to partially cover the closing and environmental rehabilitation expenses according to Section 4 of Decision 2010/787/EU

The 2013-2018 Scope of Action contemplates an annual budget commitment (National Budget) of 15 million euros for aid from 2014 to 2021. However, in fiscal years 2016 and 2017 aid has exceeded that forecast for 25 million euros in each annuity:

AID GRANTED TO CARBON MINING COMPANIES IN THE FISCAL YEARS 2013 TO 2017 (€)

MINING COMPANY	YEAR 2013	YEAR 2014	YEAR 2015	YEAR 2016	YEAR 2017
Endesa Generación, S.A.	0.00	0.00	8,014,897.38	0.00	0.00
La Carbonífera del Ebro, S.A.	0.00	0.00	3,287,307.15	0.00	0.00
Hulleras del Norte, S.A., S.M.E (HUNOSA)	0.00	0.00	3,697,795.47	3,700,000.00	0.00
Carbones Arlanza, S.L.	0.00	0.00	0.00	221,103.25	0.00
Empresa Carbonífera del Sur, ENCASUR, S.A.	0.00	0.00	0.00	13,677,560.82	0.00
S.A. Minera Catalano Aragonesa	0.00	0.00	0.00	2,789,505.54	0.00
Minas del Bierzo Alto, S.L.	0.00	0.00	0.00	4,611,830.39	0.00
TOTAL	0.00	0.00	15,000,000.00	25,000,000.00	0.00

Updated September 20th, 2018

* Calling pending resolution

It can be seen that fiscal year 2013 had no calling, due to the necessary processing of regulatory bases, and in fiscal year 2014 aid could not be granted for breach of the required conditions. The aid requested in the calling of fiscal year 2017 is pending resolution.

5.2.4 Reactivation measures through employment generating business projects.

Its ruling has been adjusted to the community regulation contained in the EC Regulation nº651/2014, of the Commission, of June 17th, 2014, declaring certain aid categories compatible with the common market, pursuant to Sections 87 and 88 of the Treaty (General Regulation of Exemption by Categories), as well as in the Information of the European Commission (2013/C/209/01) referred to the Guidelines on regional State aid for 2014-2020, whose entry into force was set for July 1st, 2014.

For this line of aid, the 2013-2018 Scope of Action determined a global budget commitment of 150 million euros.

The calling for this aid has been delayed due to different circumstances related to the economic management of the budgetary scenarios that caused delay in its processing. For this reason, there is no data other than the one referring to fiscal years 2014, 2015 and 2016, pending resolution of the 2017 calling. The aid planned for fiscal year 2018 shall be called later this year.

Within this line of aid, it is distinguished, in turn, depending on the volume of the investment, in aid to small investment projects (MINIMIS) and aid to large projects, whose beneficiaries are SMEs or large companies.

Aid for annual or long-term business projects with minimal investment subject to subsidy of € 30,000 and a maximum of 500,000 involving maintenance and/or creation of employment (MINIMIS), have been granted in the 2014-2016 period in favor of 188 projects that involve the creation of 327 jobs and a total amount of aid of € 9.54M, compared to € 12M convened (€ 3M in 2014-2015 and € 6M in 2016), as reflected in the following table:

SMALL BUSINESS PROJECTS (MINIMIS) EMPLOYMENT GENERATORS

Autonomous Communities	N° subsidised projects			Investment subject to subsidy (€)			Aid (€)	
	2014	2015	2016	2014	2015	2016	2014	2015
ARAGÓN	10	16	10	2,112,775	3,848,345	2,508,508	489,693	875,100
ASTURIAS	27	53	27	5,044,436	9,965,884	5,068,173	1,276,489	2,520,828
CASTILLA LA MANCHA	4	3	1	739,028	545,227	43,626	308,660	168,438
CASTILLA Y LEÓN	13	11	13	2,556,000	1,790,641	2,495,675	686,344	479,425

Aid for annual or long-term business projects with minimal investment subject to subsidy of € 100,000 eligible for maintenance and job creation (Large projects), in the same period, have been granted to

execute 88 projects that involve employment creation of 908 jobs and a total aid amount of € 36.59M, compared to € 149 million convened, according to the following data:

EMPLOYMENT GENERATOR BUSINESS PROJECTS

Autonomous Communities	N° subsidised projects			Investment subject to subsidy (€)			Aid (€)			N° Jobs positions to be created		
	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
ARAGÓN	12	19	1	26,632,646	34,545,709	41,060,757	3,687,614	5,397,758	4,106,076	85	210	85
ASTURIAS	9	14	10	29,044,276	39,009,810	15,940,750	3,404,645	4,933,597	1,795,710	58	85	81
CASTILLA LA MANCHA	2	1	0	1,602,034	2,337,769	0	513,624	468,750	0	7	6	0
CASTILLAY LEÓN	6	7	7	61,612,576	108,646,511	14,816,779	4,418,854	5,877,139	1,983,108	70	157	64
TOTAL	29	41	18	118891,532	184,539,799	71,818,286	12,024,737	16,677,244	7,884,895	220	458	230

Given its long-term nature, the deadlines for the execution of the projects and the maintenance of the conditions of its granting have not expired. Therefore, at the present time it is not possible to carry out an assessment on the fulfillment of the purpose of aid in terms of job creation and investment.

5.2.5 Aid for the alternative development of mining communities: Infrastructure projects and restoration projects of deteriorated areas

In accordance with the parameters established in the Scope of Action, the municipalities affected by processes of coal mining closing in the Autonomous Communities of Aragon, Castile - La Mancha (Puertollano), Castile and Leon and Principality of Asturias, constitute the territorial scope of this kind of aid for which a budgetary commitment of 250 million euros for the 2013-2018 period was fixed.

On an exceptional basis, it was foreseen that specific actions could be subsidised in Andalusia, Catalonia and Galicia, Communities included in the previous Plan 2006-2012, when the restructuring and closing of coal mining in those areas occurred.

However, during this period (2013-2018,) it has been necessary to address the termination and execution of the specific Agreements adopted under previous plans of mining, which were affected by budget constraints arising from the serious economic crisis suffered.

As of 2016, the amounts recorded in the National Budget to finance this type of actions have been applied basically to the closing of files of previous Agreements with Principality of Asturias, Castile and Leon and with the Xunta de Galicia, communities with which Cooperation Commissions were previously held.

In Asturias were held the sessions of May 28th, October 20th, November 16th and 24th of 2015, as well as September 19th, 2016, in which the termination was agreed, with or without reimbursement procedure or loss of the right to collection of more than 60 specific agreements. Likewise, a Cooperation Commission was held with the Xunta de Galicia dated May 27th, 2015, referring to 10 specific agreements.

On the other hand, Cooperation Commissions of May 26th and December 9th, 2015, March 22nd and October 9th, 2017, have been held with the Autonomous Community of Castile and Leon in order to terminate around 90 specific agreements.

Likewise, new Collaboration Framework Agreements have been signed with the Autonomous Community of Castile and Leon, on October 30th, 2016; with Principality of Asturias, on November 20th, 2017; and with the Autonomous Community of Aragon, on March 12nd and 13rd 2018. For the Autonomous Community of Castile and La Mancha its implementation is planned for October of the current year.

Cooperation Commissions with the aforementioned Communities are also planned on that date in order to select the projects and process the corresponding specific Agreements, before the end of the year, in compliance with the provisions of the regulatory standards. Among other things, actions aimed at restoration, improvement and revaluation of debris, deteriorated areas and spaces affected by coal mining are also planned. An expense of around 133 million euros is estimated for the 2018-2022 period.

5.3. CURRENT SITUATION OF THE CARBON SECTOR

At the beginning of 2018, the extractive industry of native coal mining is made up of 8 companies with a total of 12 production units, and their operations settle geographically in 4 areas of Spain: Asturias, Leon, Palencia and Teruel.

At the end of 2017, these companies employed a total of 1,677 people in owned payrolls, of which 1,056 belong to the State company HUNOSA and 621 to the private ones. Of these, 1,447 worked in indoor mining production units and the rest, 230, in open pit production units.

The supply of native thermal coals for electricity generation in 2017 has been of 3.76 million tons. National production of soft coal and anthracite rose by 2017 (2.8 Mt), 77% in relation to the previous year (1.6 Mt). This increase is explained due to a greater demand of the Thermal Power Plants in the electricity market.

During 2017, the average invoice price for national coal (coal, anthracite and black lignite) beneficiary of aid was 54.38 euros per ton for a coal with a Superior Calorific Power (hereinafter, PCS) of 3,769 Kcal / Kg. This price remained with previous year values (54.31 euros per ton).

The development of the energy mix during the period is detailed in the following table:

Power generation from coal (in %)	2013	2014	2015	2016	2017
	14.5%	16.3%	19.7%	14.3%	17.2%
% native coal generation	2.9%	4.0%	3.1%	2.0%	2.3%
% imported coal generation	11.6%	12.3%	16.7%	12.4%	14.9%

Thermal gap (in %)	27.1%	28.0%	33.1%	28.1%	34.1%
Coal weight in thermal gap (in %)	53.6%	58.1%	59.6%	51.1%	50.5%

Native coal weight in thermal gap (in %)	10.8%	14.2%	9.2%	7.0%	6.9%
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6. AID LINES FOR A FAIR TRANSITION OF CARBON MINING AND MINING COMMUNITIES

The actions derived from this Agreement shall be aimed at achieving the objectives previously indicated, the different aid lines specified for this purpose are established in the following sections.

6.1 AID FOR EXCEPTIONAL COSTS.

The successive European regulations applicable to the coal sector, since 1993, has allowed Member States to adopt measures aimed at alleviating social and regional consequences regarding the restructuring and modernization of the coal industry, financing costs that without being related to current coal production arise in a context of rationalization and closing of mining activity, such as those related to social and environmental aspects.

Following this line of action, the current European regulatory framework establishes an exhaustive list of cost categories that can be compensated to companies, in order to mitigate the harmful effects that the cessation of extractive activity causes in social and regional aspects.

Types of Aid for exceptional costs

Within the framework of this aid line to finance the exceptional costs of the companies listed in the Decision annex and in accordance with the provisions of Section 4, two modalities with a different purpose may be considered:

- 6.1.1 Aid of a social nature destined to owned payroll of coal production units
- 6.1.2 Aid of an exceptional nature aimed at covering the closing costs of the production units and mitigation of environmental impact.

Beneficiaries of the Aid

Both types of aid can only be granted to coal companies that have benefited from the aid provided for in Section 3 of the Decision. For social aid the condition of beneficiary of the subsidy and recipient does not coincide in the same party, since companies are the beneficiaries of the aid, although the ultimate recipient of the aid is the worker.

The aid constitutes a right for the workers and the company must process its request in a timely manner.

Regulation

Social assistance for labor costs for elderly workers shall be granted on the basis of a direct concession agreement at the request of interested companies, according to their singular nature, given its public, economic and eminently social interest.

The rest of aid in this section, following its immediate normative background, Order IET/594/2014, of April 10th¹, could be implemented on a competitive basis taking into account the budgetary availability of each fiscal year.

Compatibility

The social assistance defined in this section shall be incompatible with any other granted for the same purpose, including amounts that may correspond to the Wage Guarantee Fund, except for the aid provided by the Public State Employment Service (SEPE) for these cases.

The aid to finance the closing and restoration shall be compatible with other aid granted for the same purpose as long as the rate does not exceed the cost of the subsidised activity.

The main characteristics of each modality can be summarized in the following agreements:

6.1.1 Social assistance

This agreement guarantees all workers in the sector, including those who remain in the restoration work and mine closing, a non-traumatic dismissal in accordance with the provisions of the Decision.

a) Social Aid for labor costs through severance payments

Social benefits for covering exceptional costs specifically aimed at workers who do not reach an equivalent advanced age.

Scope of the measure

The workers of the payroll may voluntarily receive severance payments considered for the purposes of this agreement as of June 30th, 2018, including those contributing in restoration work, security and closing of the mining operation whose contracts are terminated after December 31st, 2018, within the maximum period of 36 months following that date, when requested by their companies and provided the following requirements are fulfilled:

- Contributions to the Special Regime for Coal Mining of Social Security during at least three years.
- Their status as owned payroll employees, prior to December 31st, 2017 in any of the coal mining companies listed in the Annex or at least a five-year seniority in the Special Regime for Coal Mining of Social Security.

¹ Order IET / 594/2014, of April 10th, approving the regulatory bases for the 2013-2018 financial years of the aid specifically designed to cover exceptional costs that occur or have occurred due to the closing of coal production units included in the Closing Plan of the Kingdom of Spain for non-competitive coal mining.

- At least one-year seniority in the company terminating the working relationship with on the date of the request.
- Aid shall not be granted to workers who meet the requirements to access either ordinary retirement or early retirement, or who have been beneficiaries of some aid for labor costs through severance payments or early retirement between January 1st, 2013 and December 31st, 2018, notwithstanding the rights that workers claim to the company.

Compensation of a voluntary nature

The amount of the compensation shall be the amount that corresponds in accordance with the provisions of section 16 of the aforementioned Royal Decree 676/2014, of August 1, according to which, the amount of the compensation shall be composed of the sum of the following amounts:

- A common fixed amount of 10,000 euros;
- A variable amount, calculated individually, corresponding to 35 days of salary per year worked with a limit of 30 monthly payments.

The amount of compensation for low compensation shall be increased by €26,000.00, in the case of first-degree silicotic workers, provided that they accredit this circumstance through certification issued by the competent official body within a maximum period of two years from the date on which they stop working for the company.

b) Social Aid for labour costs for elderly workers

They are social benefits intended to cover exceptional costs specifically aimed at workers of advanced equivalent age.

Scope of the measure

- Employees of the staff considered for the purposes of this agreement may be accepted for this purpose as of June 30, 2018, upon request of their companies and provided that the following objective requirements are accredited whose compliance shall be required at the date of the request:
- Status as workers with an indefinite contract in the applicant company.
- To be at least forty-eight years of equivalent age, with the application of the corresponding reduction coefficient or, 25 years of contribution in the Special Regime for Coal Mining of the Social Security, at least 20 years worked in companies of the Annex, although, in this case, the amount of the aid will undergo different reductions depending on the credited period of seniority (10%, 8%, 6%, 4% or 2%, depending on whether they are 20, 21, 22, 23 and 24 years, respectively).
- Seniority in the company they stopped working for of at least three consecutive years, counted at the date of the request for these aids.
- Contributions to the Special Regime for Coal Mining of the Social Security for at least eight years, or seniority in any of the staff of the companies considered for the purposes of this agreement of at least eight years.
- To comply, once these grants have been completed, the legal requirements to access ordinary retirement.

The termination of the employment relationship that will give rise to these grants may occur prior to December 31, 2018, or within the maximum period of 36 months following said date for those workers who perform closing and rehabilitation of the space affected by The closure of the mine.

If the employment link is terminated prior to December 31, 2018 without the approval of the applicable regulations, it will be necessary that the communication of the collective dismissal or the termination of the contracts warns of the replacement of the corresponding legal compensation for the aid for labour costs for elderly workers, covered by this measure. This communication must also include the company's commitment to immediately reinstate the worker and with the same legal effects as those provided for dismissals declared void, in the event that he had been excluded from the resolution by which Estimate the granting of such aid.

The termination of the employment relationship that shall give space to these aids may occur prior to December 31, 2018, or within the maximum period of 36 months following said date for those workers who perform closing and rehabilitation of the space affected by the closure of the mine.

If the employment relationship is terminated prior to December 31, 2018 without the approval of the applicable regulations, it will be necessary that the communication of the collective redundancy or the termination of the contracts warns of the replacement of the corresponding legal compensation for the aid for labour costs for elderly workers, covered by this measure. This communication must also include the company's commitment to immediately reinstate the worker and with the same legal effects as those provided for redundancies declared void, in the event that they were to be excluded from the resolution by which the granting of such aid is estimated.

The beneficiary companies must communicate to the Labour Authority the resolutions granting aids covered by this measure so that the latter notifies such resolutions to the entity in charge of managing unemployment benefits, in order to gain recognition, only once, for the contributory benefits for the maximum legal period, in accordance with the provisions of the nineteenth additional provision of Law 4/1990, of June 29, with effect from the date of termination carried out pursuant to the said redundancy procedure completed in 2018.

Compensation

These aids shall guarantee the recognition of seventy-two per cent of the monthly average of the gross ordinary salary remuneration, considering the six months actually worked prior to the incorporation into early retirement with the apportionment of extraordinary payments.

For these purposes, the months in which they have worked for at least nineteen days, including vacations and paid leave, shall be considered as effectively worked.

For the calculation of this guaranteed gross amount, those items and amounts that the worker would normally receive in the last thirty months in the course of his activity shall be considered gross ordinary salary remuneration.

In addition to the non-wage amounts indicated in section 26.2 of the consolidated text of the Workers Statute Law, approved by Royal Legislative Decree 1/1995, of March 24, overtime hours, night work and work on weekends or others that are not the work carried out in a habitual or ordinary way, shall be excluded from this calculation, whatever the denomination of the remunerative item may be, provided

its payment is not the habitual. It shall be understood that there is habituality when, in the last thirty months of development of their activity, the workers perform such work during at least fifty per cent of the months in which they may receive it.

For the initial calculation of the guaranteed gross amount, it shall be taken into account that:

- the volumes and average amounts of these items may not exceed, each of them, by more than five per cent the volumes and average amounts of these same items in the twelve months prior to the period over which the valuation is made;
- the upward or downward may not deviate, in any case, by more than eight per cent of seventy-two per cent of the average salary of the twelve months prior to the period over which the valuation is made. For these purposes, the months with fifteen or more days worked, including vacations and paid leave shall be counted.

The resulting final gross guaranteed amount may not, in any case, exceed seventy-two per cent of the maximum contribution base for contingencies due to work-related accidents and occupational diseases of the General Social Security Regime in force on the date on which the work relationship is extinguished nor be less than sixty-two per cent of the normalized base corresponding to the category in which the worker had contributed in the period of the last six months prior to the date of termination. If the worker had done contributed in different categories, the average of the bases shall be applied.

The determination of the gross amount shall be the result of adding, on the one hand, the gross amounts that correspond to each worker for their contributory or welfare unemployment and, on the other, the complement, which, added to the previous items, make up the guarantee of seventy-two per cent gross described above.

Likewise, workers receiving these aids are guaranteed, once the contributory unemployment benefit has been completed, the necessary contributions to Social Security, according to the standard bases of their category in force each year, which shall be made effective by signing the corresponding special agreements until reaching the age of ordinary retirement.

The guaranteed gross amount assigned to the worker at the time of beginning to receive the aid shall be updated at the beginning of each calendar year in the same percentage as the retirement pensions of the General Social Security Regime, with the revisions being cumulative.

Workers who have opted for the voluntary redundancy scheme under the Resolution of February 18, 1998 on aid intended to cover exceptional costs linked to plans for modernization, restructuring and rationalization for the activity of coal mining companies may not be entitled to these aids, Order ECO/2771/2003 of September 24, on aid to cover exceptional costs related to restructuring and rationalization plans for the activity of coal mining companies, Order ITC / 2002/2006, of 15 June, which approves the regulatory basis for the aid granted for labour costs through incentive withdrawals and aid to compensate for the costs derived from the closure of production units of coal mining companies, for the years 2006-2012.

However, workers who have been granted a redundancy pay under Royal Decree 676/2014 of August 1, which establishes aid for labour costs destined to cover exceptional costs linked to plans to close production units of coal mining companies, will be able to benefit from the same conditions, provided

they maintain their employment relationship with the company, that there is express waiver of its granting and that such paid has not already been paid.

Likewise, those workers who, even after receiving redundancy pay pursuant to Coal Plans 1998-2005 and 2006-2012, can also accredit a minimum of 20 years of work in coal mining and that they are currently employed by companies that may be beneficiaries of these aids. For the granting, the conditions established in the final paragraph of section 9.9 of Royal Decree 676/2014, of August 1, previously cited, shall apply.

c) Other Social Aid

Those workers affected by the closure of the production units of the companies of the Annex, which were part of the own workforce, at least, since June 30, 2018, and did not meet the conditions required to access the types of social aids described, shall, however, be entitled, as surpluses from coal mining, to the recognition, only once, of the provision of contribution-based unemployment benefit for the maximum legal period, regardless of the previous contributions that they have accredited and the period of benefits that, if applicable, they would have received up to the date of the aforementioned legal unemployment situation (as known as "counter to zero").

6.1.2 Aid of an environmental nature (Aid to finance the closure of the facilities and the restoration of the natural space affected by the mining activity)

Mining companies, in their capacity as operating entities, are obliged to assume the set of measures defined in the Restoration Plan that has been previously authorized by the competent Mining Authority and that allow to ensure compliance with legal requirements regarding environmental rehabilitation and closure.

Taking into account the situation of the coal mining companies, aid shall be implemented to help defray the rehabilitation of the natural space affected by the mining work and the definitive cessation of operations, including the objectives of closure and decommissioning of the tailings facilities, considering that the total volume of the cost involved in these rehabilitation tasks cannot be assumed. These aids are also intended to ensure continuity of employment in coal mining during the time of restoration, staggering the exit to the labour market of the workers of the companies that are facing closure processes, so that labour costs shall have priority in the granting of these aids.

Scope of the measure

Where appropriate, the mining companies likely to be beneficiaries of these aids may be eligible under the terms established by current regulations that have presented the following documentation for its authorization to the competent mining authority:

- The project for the complete cessation of mining work, justifying the measures to be taken at the end of the extractive activity of the coal production unit affected by the closure;
- The Final Closure and Decommissioning Project of the tailings facilities with the actions that are planned to be carried out.

Amount to be financed

The granting shall take place through competitive bidding among all possible beneficiary companies once the cessation of the extractive activity of the production units has occurred.

Terms

- Costs related to the closure of mining sites can be included, as well as the rehabilitation and environmental recovery of the facilities related to the units that are closed.
- The staff costs incurred by the beneficiary, provided they are related to the work included in the restoration plan, shall have priority as expenses to subsidize.
- Partial payments that are proportional to the amount of the justified subsidy and prepayments are accepted through the creation of guarantees, up to 50 per cent of the maximum amount of aid granted.
- The maximum amount of aid granted shall not be paid until the reliable compliance with the set of legal requirements demanded by the competent authorities for restoration and closure is verified.
- The aid shall be subject to the appropriate justification and verification by the granting agency and the competent Mining Authority.

6.1.3. Other additional measures in favour of workers in the sector who continue extractive work in the production units of the companies listed in the ANNEX.

For those companies in the Annex, which continue with extractive work as of December 31, 2018, and that can be closed in the 2019-2025 period, they shall be arbitrated with the collaboration of the Institute for the Restructuring of Coal Mining and Alternative Development of the Mining Communities, OA (IRMC), the Ministry of Labour and the companies concerned, support frameworks for surplus workers similar to those described in section 6.1.1., as aid for exceptional costs or other.

6.1.4. Other additional measures in favour of Sector Workers.

- Restoration Activities

For the surplus workers, their priority participation in the restoration activities that are facilitated with the help of points 6.2 and 7 shall be articulated with the Autonomous Communities.

For these purposes, in the regulations that are developed to support the rehabilitation projects contained in the Plan for the Restoration of operations in mining communities 2018-2025 (within the Fair Transition Urgent Action Plan), the relocation of surpluses from coal mining, referred to in points 10 and 11 of this agreement, shall be established as a determining criteria for public financing through bilateral agreements between the Ministry for the Ecological Transition and the Autonomous Communities affected.

Said applicable regulations shall delimit the priority criteria, as well as the projects that integrate the aforementioned Restoration Plan in the different territories, to be taken into account to comply with this measure, which must be agreed with the Autonomous Communities, Local Entities and social actors with the purpose of guaranteeing the maintenance of surplus employment in the mining communities.

On the other hand, from the SEPE and the corresponding employment services, personalized work integration plans shall be articulated with individualized itineraries and the assignment of a counsellor who will work specifically with surplus workers in the sector.

- Job Board

Workers who cannot access social aids due to advanced age, after they have been compensated pursuant to this agreement and after the "counter to zero" has been set, will have the opportunity to voluntarily participate in a job board managed by the IRMC.

This job board will facilitate access to training and orientation courses towards new employment sites related mainly to a Fair Energy Transition, and whose main objective is that workers find a job, during the time of the aforementioned "counter to zero".

During this period of time, and after six months of validity of the agreement, the Monitoring Commission will make an assessment and verify the real situation of this section. If dysfunctions are observed, measures that facilitate the fulfilment of the objective will be proposed.

At the end of the year, and after eighteen months, the objectives will be re-analysed and appropriate measures will be taken until the objective is achieved.

- Workers in reviewable total disability processes:

When the reintegration of such workers to your company is determined, after the two-year suspension period provided for in section 48.2 of the Workers' Statute Law [Ley del Estatuto de los Trabajadores] has elapsed, the affected party may go to the IRMC to request the processing of the corresponding social aid, in the capacity of mining surplus of the coal production unit in which they worked.

6.2 CONTINUITY OF THE ECONOMIC IMPULSE AID AND REACTIVATION OF THE MINING COMMUNITIES

The mining communities have historically been a monoculture of coal, which, together with other factors such as the existence of a very dispersed population, small and disseminated population centres, lack of infrastructure and some environmental deterioration have hindered the articulation of the territory and implementation of alternative industries.

To cope with this situation, throughout the different plans for restructuring and modernization of coal mining approved in Spain, significant economic amounts have been invested in the development of basic infrastructure so that it would be possible to alleviate the deficiencies that these areas presented.

Considerable progress has been made in the provision of basic infrastructure, but in some cases the generation of alternative activity has not been necessary. Therefore, with these new measures planned for the 2019-2027 period, we want to consolidate a process of fair transition, economic recovery and Alternative Development of the Mining Communities that allow complete structural, industrial, economic transformation and alternative development.

It is considered a priority to encourage the creation of employment in the mining communities and municipalities to alleviate the social and regional consequences of the disasters that occur, while continuing the actions already committed budgetarily for the reactivation of the mining communities that involve employment creation.

To carry out these actions, it is planned, on an annual basis, to provide budgetary credits for a total amount of 250 million euros to be included in the General State Budgets, during the period 2019-2023, notwithstanding that their execution can be carried out until 2027.

To this end, the different lines of aid are foreseen, whose main points are analysed below:

6.2.1 Reactivation measures in coal mining communities aimed at financing new business facilities and expanding existing ones

The purpose of this line of aid is to promote the location of business investment projects in areas affected by the restructuring of coal mining and its surroundings, in order to generate alternative economic activities that entail the commitment to generate new jobs and maintain existing ones to encourage their development. The management of the aid lines will be carried out by the IRMC jointly with the corresponding Development Agencies of the Autonomous Communities.

Scope of the measure

Those who have to carry out the activity that is based on their concession may benefit from these aids, being able to access the status of beneficiary both natural persons and companies of a private nature, as well as groups integrated by them, joint ownerships, self-employed workers and entrepreneurs.

The aid may be used to finance employment-generating business investment projects from all economic activities likely to receive aid, in accordance with the applicable national and community regulations, with the exceptions established in the regulatory bases.

Territorial scope of application

Business investment projects located in the municipalities affected by the restructuring and modernization of coal mining, which will coincide with those of the previous Framework for Action 2013-2018 in Asturias, Aragon, Castilla y Leon and Puertollano, may receive assistance with the limitations arising from the new Map of regional aid applicable to Spain.

Types of Aid

Aid destined to promote new economic activities and/or expansion of existing ones, which are alternatives to coal mining, can be carried out by granting incentives through the following:

a) Business projects with investments exceeding 100,000 euros and employment creation commitments equal to or greater than 3 jobs, with the following requirements:

- They will only be applied in the disadvantaged mining territories of the Principality of Asturias, Castilla y León, Aragón and in the municipality of Puertollano, included in the Map of regional aid applicable to Spain.
- They will have the status of regional aid.
- They may be co-financed by the European Commission.

b) Aid for small investment projects under the following conditions:

- A minimum amount of 30,000.00 euros and a maximum of 500,000.00 euros, with minimum employment creation commitments;
- For bankable economic activities carried out in any of the municipalities included in the territorial scope of the Plan.

Characteristics

- They will be processed through a competitive bidding scheme.
- They will be compatible with any others of a public or private nature, provided that the applicable maximum aid intensity limits are respected, and in no case exceed 100% of the investment deemed eligible.
- Duly guaranteed advance payments may be made up to 85 per cent of their maximum amount
- They will be subject to timely justification and verification by the granting body.
- In the provision of jobs or generation of activity in the Mining communities, mining surpluses will have preference, on equal terms.

6.2.2 Aid for the alternative development of mining communities

The aid is aimed at promoting the alternative development of mining communities through the execution of infrastructure projects and restoration of degraded areas due to mining activity in mining municipalities of the Autonomous Communities of Aragon, Castile and León, Principality of Asturias and Puertollano.

The selection of infrastructure actions to be executed must be consistent and complementary to regional and local planning, and additional to the investment effort of the Autonomous Communities and the Central Government.

At the signing of the protocols between the General State Administration and the Autonomous Communities in which the granting of aid for infrastructure is carried out, the latter will deliver a document with their planning for these areas and the estimation of their own additional investment effort, including a map on the availability of industrial land, which shall be updated periodically. Additionality compliance mechanisms shall be determined by the Autonomous Communities, provided they are significant.

For these purposes it is understood that its budgetary contributions must be at least 25% of the IRMC's budgetary contributions, within the competence that each Community has in the development of these areas as an integral part of its Autonomous Community and within a development balanced and sustainable of it.

Scope of the measure

The projects that are located in the municipalities affected by the closure processes of coal mining in the Autonomous Communities of Aragon, Castilla y León, Principality of Asturias and Puertollano may be applicable for this aid.

Characteristics

- This aid will go under a direct granting system given their economic and socially social public interest derived from the need to enhance the recovery of natural resources.
- They will be compatible with other aids granted for the same purpose as long as the cost of the subsidized activity is not exceeded.
- They will be subject to the budget availability in effect in each fiscal year.
- They will be developed through collaboration framework agreements signed by the Ministry for the Ecological Transition and the affected Autonomous Communities.

Actions eligible for funding

Infrastructure development will be directed, fundamentally, to the following activities:

- Improvement, restoration, recovery and revaluation of debris, degraded areas and spaces affected by coal mining;
- Improvement of equipment related to transformation and electrification centres, gas supply, lighting and hydraulic infrastructures;
- Forest recoveries and silvicultural treatments of areas degraded by mining activities, as well as actions related to atmospheric sanitation aimed at improving air quality, sound levels and the regeneration of wastewater treatment stations;
- Provision and renewal of telecommunication, energy optimization and diversification lines with renewable energy supply in public buildings;
- Creation and equipment of business incubators and technological development centres

Terms

They will be developed through the signing of specific collaboration agreements, between the Autonomous Community responsible for their execution and the Institute for the Restructuring of Coal Mining and Alternative Development of the Mining Communities, O.A.

7. URGENT ACTION PLAN FOR MINING COMMUNITIES

The aid adopted under this agreement will also be complemented by another set of measures that will be designed in a Fair Transition Urgent Action Plan for mining communities affected by the closure of mining facilities to be agreed upon with the Autonomous Communities, Local Entities and social actors.

The Urgent Plan will promote an alternative economy in the zones and will favour its economic impulse, with the main objective of creating and maintaining employment in them. The Urgent Plan will propose the following actions:

- **Plan for the Restoration of sites in mining communities 2019-2023**, which will aim to mitigate the impact of loss of short-term employment in the areas and ensure the closure of facilities and the restoration of natural space affected by mining activity.
- **Renewable Energy and Energy Efficiency Development Plan 2018-2023** for the target territories of the urgent action plan.
- **Drafting of Fair Transition Contracts for regions affected by the closure of the mines** with the objective of creating and establishing employment in the medium and long term.
 1. The Transition Contracts of the Urgent Action Plan will offer assisted and agile access as possible to financial support available in the different institutions and agencies of the Public Administration.
 2. The Transition Contracts of the Urgent Action Plan will offer this same technical assistance for European funding, such as the European Social Fund or the European Structural and Investment Fund. For European funds, projects that can jointly finance the actions of several Transition Contracts in different regions will be considered.
 3. They will contemplate when prioritization is assessed in the different existing aid lines or that they can be called for projects that are developed in transition zones, granting them an additional score (linked to the location) to that obtained in accordance with the general assessment criteria. It is

intended in this way, not only to facilitate access but to improve the possibilities of the projects of these territories in the competitive bidding.

4. They may also be recipients of tax incentives, corporate tax deductions or contributions. These incentives or deductions will be decided by the Ministry of Finance and the Ministry of Labour.
5. They may contemplate energy policy tools for the implementation of business initiatives of an energy nature in the area, being able to use specific renewable auctions for these territories.
6. Promote the recovery and enhancement of mining industrial heritage as a source of employment and resources generation.
7. Transition contracts shall include the corresponding supervision and control clauses, and may be developed between fiscal years 2021 and 2027, the effective date.
8. And as an additional and equally useful measure to carry out this Action Plan, the urgent creation of the Country Team is proposed, which will have to interact positively in favour of the affected territories, in those areas that are their responsibility.

8. SUPPORT FOR NEW TECHNOLOGIES: THE CIUDEN FOUNDATION

In July 2005, the Council of Ministers approved the promotion of new technological developments in Bierzo. Developments that CIUDEN (the Spanish government-sponsored Energy City Foundation) would assume with the development of CO2 sequestration and storage technologies.

For which, and with the support of the European Union, an oxy-combustion plant was built, located in Cubillos del Sil, still operational today, although since 2012 only maintenance work has been carried out. Together with this technological activity, CIUDEN carried out other projects and initiatives in the municipalities of the area, aimed at energizing and collaborating with the economic development of the area.

In this double aspect, technological and empowerment of economic activity, CIUDEN is destined to play a decisive role as agent of territorial development. For which, and in accordance with the IDAE, an organization that today supports CIUDEN, a process of analysis and evaluation of the potential applications of the oxy-combustion plant will begin, as well as the other activities of CIUDEN, in order to put them at the service of the fair energy transition process.

9. TRAINING

In order to facilitate the search for new jobs in the various industrial and energy fields, which will try to mitigate the reconversion of the sector, together with the State Public Employment Service of the Ministry of Labour, Migration and Social Security, aid will be articulated in a support framework for vocational training and job placement of workers of the companies included in the Annex.

The training must be directed towards the needs of the new industries and business projects that are going to be implemented in the affected regions. In their corresponding employment services, they will be assigned a counsellor who will work with the surplus workers in the sector.

10. EXCEDENT WORKERS.

Those workers affected by the closure of the production units of the companies of the Annex and who do not have the right to early retirement may opt for relocation in those companies that continue their activities as of December 31, 2018.

11. SUBCONTRACTORS.

For the purposes of the relocation of workers provided for in this agreement, those workers who have served in auxiliary companies (contractors and subcontractors) of the production units of the mining companies of the Annex will be considered surpluses.

Subcontractor workers will also be part of the job board managed by the IRMC and, consequently, will have room for the training and relocation frameworks referred to in this agreement for which long-term contributions to the Special Mining Regime of the Social Security coal will be prioritized. They will, therefore, be subject to review and follow-up by the Monitoring Committee.

Likewise, in the plans of restoration, renewable energy, energy efficiency and transition contracts, these workers will also be used preferably.

12. MINING SAFETY

Actions on mining safety for coal mining companies with operations in the mining communities will be promoted by the Mining Safety Commission. To this end, it will promote the development of the precise regulations to include the energy mining sector, in particular coal mining, into the scope of all mining safety actions addressed by the Ministry for the Ecological Transition.

13. FOLLOW-UP

The follow-up of this new Framework Agreement for a Fair Transition of Coal Mining and Sustainable Development of the Mining Communities for the period 2019-2027, will be entrusted to a Monitoring Commission.

This Commission will be chaired by the President of the Institute for the Restructuring of Coal Mining and Alternative Development of the Mining Communities, OA (IRMC). Within the Commission, the following institutions will be represented:

- The Federation of Industry, Construction and Agriculture of the General Union of Workers.
- The Federation of Workers Commission Industry.
- The Federation of Industry of the Labour Union.
- The National Federation of Coal Mining Entrepreneurs (CARBUNION).
- The Cabinet of the Secretary of State for Energy.
- The Institute for the Restructuring of Coal Mining and Alternative Development of the Mining Communities, OA

The union representation will have a total number of ten members that will be distributed according to their duly accredited representativeness.

This Plan Monitoring Commission will meet regularly every six months and will be up-to-date with the details related to the progress of the plan.

The Commission will have interpretative competence in the event that there are discrepancies in the reading of the Plan and will annually assess the progress of its management in everything related to the management aspects of the coal mining sector.

The follow-up of the Collaboration Protocols between the Institute for the Restructuring of Coal Mining and Alternative Development of the Mining Communities, OA and the Autonomous Communities, will be entrusted to the Cooperation Commissions for the development of infrastructures and to the Monitoring Commission.

Such Commissions will be chaired by the President of said body and the following entities will be represented by them:

- The Government of the autonomous community with two official representatives
- The Institute for the Restructuring of Coal Mining and Alternative Development of the Mining Communities, O.A. with two official representatives.

These Commissions, which will have the status of a collegiate body, are those provided for by the Law on the Legal Regime of Public Administrations and the Common Administrative Procedure for the control of framework agreements signed between administrations. These Commissions will meet on an annual basis.

The tasks of the same will be those established in the protocols to be signed between the infrastructure financier (the Institute) and the executors responsible for the actions (the Autonomous Communities and the mining municipalities) and will consist, basically, in the control of progress of the specific agreements for the execution of the actions that are signed and in the establishment of the collaboration agreement.

14. APPROVAL AND IMPLEMENTATION OF THIS AGREEMENT

This Agreement, once signed by the parties, requires the approval of different regulatory bases and their subsequent regulatory development that allows compliance within the planned period.

The effective validity of the content of this Plan, in relation to the extension of the aid for exceptional costs until 2025, is conditional upon its approval by the European Commission.

Signed:

By the Ministry for the Ecological Transition
José Domínguez Abascal
Secretary of State for Energy

By UGT-FICA
Pedro Luis Leaves Cancho
General Secretary

By Federación de Industria de CCOO

By Federación de Industria-USO

Agustín Martín Martínez
General Secretary

Pedro Ayllón García
General Secretary

By CARBUNIÓN
Pedro Iglesia Gómez
Presidente

ADDITIONAL SIGNATURE SHEET FOR THE AGREEMENT NEGOTIATING COMMITTEE
By UGT-FICA

Víctor Fernández Vázquez
Secretary of UGT FICA Mining Sector

José Luis Alperi Jove
General Secretary SOMA-UGT-FICA Asturias

Jorge Díez González
Secretary of UGT-FICA Mining Sector of Castilla y León

Francisco Montull Fornos
Secretary of the mining sector UGT-FICA Aragón

By CCOO

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ANNEX- Production units
Closure Plan of the Kingdom of Spain

Company	Production Unit	Mining type	Situation as of 01/10/2018
Alto Bierzo S.A. / Bierzo Alto, S.L. desde 2014	Alto Bierzo	Underground	Closure
	Torre del Bierzo	Underground	Closure
	Viloria	Underground	Closure
	Alto Bierzo	Open-pit	Closure
	Charcón	Open-pit	Closure
	Rebolla y Pico	Open-pit	Closure
Carbones Arlanza, S.L.	Single	Underground	Closure
Carbones San Isidro y María, S.L.	Single	Underground	Closure
Carbonar, S.A.	Single	Underground	Production
Carbones del Puerto, S.A.	Single	Underground	Inactive
Cía Gral Minera de Teruel, S.A.	Single	Open-pit	Producción
Coto Minero Cantábrico, S.A. / Cía Astur Leonesa, S.A. desde 2014	Coto	Underground	Production
	Cantábrico	Underground	Production
	Single	Open-pit	Production
Encasur, S.A.	Puertollano	Open-pit	Closure
Endesa generación, S.A.	Andorra	Open-pit	Closure
Hijos de Baldomero García, S.A.	Underground	Underground	Production
La Carbonífera del Ebro, S.A.	Single	Underground	Closure
S.A. Hullera Vasco Leonesa	Underground	Underground	Closure
	Open-pit	Open-pit	Production
S.A. Minera Catalano Aragonesa	Underground	Underground	Closure
	Open-pit	Open-pit	Production
Unión Minera del Norte, S.A.	Underground	Underground	Production
	Open-pit	Open-pit	Production
Hulleras del Norte, S.A.	Caudal	Underground	Production
	Nalón	Underground	Production