



NORGES BANK

Grounds for decision:

Revoked exclusions and observations ended – product-based coal criterion

9 October 2024

Background

Reference is made to Grounds for decision – Product based coal exclusions, 14 April 2016¹, 21 December 2016², 7 March 2017³ and 13 May 2020⁴ where we presented the methodology behind the observation and exclusion of companies, including the exclusion of TXNM Energy Inc (formerly PNM Resources), Public Power Corp, TransAlta Corp, Jastrzebska Spolka Weglowa SA, Eneva SA and Capital Power Corp as well as the observation of Southern Co and BHP Group.

Revoked Exclusions

We assessed in 2016 that TXNM Energy Inc (formerly PNM Resources) had coal power production that exceeded 30 percent of total power production. Since then, the company has reduced its capacity and production of coal power and is now well below the threshold specified in the coal criterion. The company also has plans for further reduction. TXNM Energy Inc is therefore no longer relevant for exclusion based on the coal criterion

We assessed in 2016 that Public Power Corp had coal power production that exceeded 30 percent of total power production. Since then, the company has reduced its capacity and production of coal power and is now well below the threshold specified in the coal criterion. The company is therefore no longer relevant for exclusion based on the coal criterion.

We assessed in 2016 that TransAlta Corp had coal power production that exceeded 30 percent of total power production. Since then, the company has reduced its capacity and production of coal power and is now well below the threshold specified in the coal criterion. The company also has plans for further reduction. TransAlta Corp is therefore no longer relevant for exclusion based on the coal criterion.

We assessed in 2016 that the mining company Jastrzebska Spolka Weglowa SA received more than 30 percent of its revenue from the extraction of thermal coal. In the past three years, the company's revenue from the extraction of thermal coal has been well below 30 percent. The company is therefore no longer relevant for exclusion based on the coal criterion

We assessed in 2017 that Eneva SA had coal power production that exceeded 30 percent of total power production. Since then, the company has reduced its capacity and production of coal power and is now well below the threshold specified in the coal criterion. The company

¹ <https://www.nbim.no/contentassets/d99e60bdb5794272ae0df58d79da0d65/20160414-beslutningsgrunnlag--utelukkelser-kullkriterium.pdf>

² <https://www.nbim.no/contentassets/70782982476041488d41a68bedaca798/grounds-for-decision---2nd-tranche-of-coal-exclusions.pdf>

³ <https://www.nbim.no/en/the-fund/news-list/2017/third-tranche-of-coal-exclusions-from-the-government-pension-fund-global/>

⁴ <https://www.nbim.no/en/the-fund/news-list/2020/exclusion-and-observation-of-coal-companies/>

also has plans for further reduction. Eneva SA is therefore no longer relevant for exclusion based on the coal criterion.

We assessed in 2016 that Capital Power Corp had coal power production that exceeded 30 percent of total power production. Since then, the company has reduced its capacity and production of coal power and is now well below the threshold specified in the coal criterion. The company announced earlier this year that it no longer produces coal power. Capital Power Corp is therefore no longer relevant for exclusion based on the coal criterion.

Table 1: Revoked exclusions

Name	Country
TXNM Energy Inc	United States
Public Power Corp SA	Greece
TransAlta Corp	Canada
Jastrzebska Spolka Weglowa SA	Poland
Eneva SA	Brazil
Capital Power Corp	Canada

Observations ended

We assessed in 2016 that Southern Co should be put under observation based on the company's coal-based power production. Such production was then above the threshold specified in the guidelines, but the proportion of total capacity and other factors led us to assess that the company should not be excluded but put under observation. Since then, the company has reduced its capacity and production of coal power and is now well below the threshold specified in the coal criterion. Furthermore, the company has additional plans to reduce the carbon intensity of its production, including through increased investments in renewable production. Observation is therefore no longer considered appropriate.

We assessed in 2020 that BHP Group's extraction of thermal coal exceeded the absolute limit specified in the coal criterion. At the same time, the company had made public statements suggesting that they were considering reductions in coal extraction going forward. The company was therefore put under observation. Since then, BHP Group has reduced its production of thermal coal each year. From 2021 onwards, production has been below the threshold. Observation is therefore no longer considered appropriate.

Table 2: Observations ended

Name	Country
Southern Co	United States
BHP Group	Australia

