

## Assessment of EPH's transition plan

### About Energetický a průmyslový holding (EPH)

Headquartered in Czechia, EPH (also known as EP Corporate Group) is a large coal and fossil gas assets owner, as well as a fossil gas power developer. It remains a significant hurdle to Europe being coal-free by 2030, and achieving a fossil-free, renewables-based power sector by 2035. EPH, comprised of many subsidiaries, is a privately held utility, majority-owned by Czech magnate Daniel Křetínský, whose strategy is to build a fossil fuel empire by acquiring ageing coal assets slated for closure, ramp up their operations, and then cash-in on government compensation schemes intended to convince utilities to close their coal plants. The company uses this money to expand its gas infrastructure, further undermining attempts to decarbonize Europe's energy systems.

EPH was the third largest greenhouse gas (GHG) emitter in Europe in 2022, emitting 69 Mt CO<sub>2</sub>e.<sup>1</sup> It operates coal and gas power plants in ten European countries, including Germany, the UK, Italy and France. As of 2022, the company states it is now “actively seeking renewable opportunities”.

EPH has been making promises that it is moving away from coal. The company claims it will be “almost coal free by 2025” and “fully coal-free by 2030”. Rather than closing its coal operations, since 2021 EPH's coal assets have been in the process of being moved over to a newly created subsidiary: EP Energy Transition (EPETr). EPH and EPETr are presented as two very distinct entities. This separation reduces EPH's exposure to coal, with that exposure due to decrease even further over time as the company actively pursues its energy transition. An investigation suggests that this separation is largely superficial and seemingly designed to greenwash EPH's continued involvement in coal and fossil fuel exploitation.<sup>2</sup>

### EPH's transition plan in a nutshell

Our assessment of EPH's transition plans was complicated by the fact that the Czech utility chose to provide answers to only 32 of the 45 questions featured in our questionnaire. Complementary information was provided by EPH's 2022 and 2023 Sustainability reports. Lack of transparency aside, the answers provided by EPH can be deemed perfunctory at best, and the content provided indicates their transition plans are backward. The lack of commitment to phasing-out coal in

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<sup>1</sup> Ember, [Repeat offenders: coal power plants top the EU emitters list](#), May 2023

<sup>2</sup> Beyond Fossil Fuels and Re-set, [Behind the mask: investigating EPH's coal exit claims](#), February 2025

Europe by 2030, and the company's insistence on developing new gas power capacity seriously go against EPH's claims that it is supporting Europe's energy transition.

## **Quality of EPH's transition plan**

### **1. Emission reduction plan**

EPH lacks a greenhouse gas emission reduction strategy based on a science-based 1.5°C scenario, nor does it have a net zero target by 2035 in the EU / OECD countries, instead aiming for 2050. Furthermore, EPH's emissions targets do not cover scope 3. The reduction of methane emissions is only addressed by a specific reduction target focused solely on its subsidiary EP Infrastructure (EPIF), and not EP Power Europe, which accounts for 85% of EPH's total emissions.<sup>3</sup>

### **2. Energy planning**

#### **No clear fossil fuel phase-out strategy**

The utility does not have a fossil gas power phase-out target, other than a commitment "implicitly implied by the carbon neutrality 2050 target" (sic). The information provided by EPH on its gas development plans is vague and consists of three new hydrogen-ready gas power plants and some heating plants in Czechia. Our estimate is that EPH plans to develop over 10.6 GW of new fossil gas power capacity on top of its 9.4 GW of existing fossil gas power capacity.

EPH announced that it has plans to be "almost" coal-free by 2025 and coal-free by 2030. But to date, the company does not have a plant-by-plant closure plan for its coal-fired power plants. Furthermore, to achieve this coal exit, EPH is dependent on the creation of a new EPH subsidiary, EP Energy Transition, to absorb its coal and some of its gas power assets. EPH claims that "this company will have a clearly defined decommissioning strategy". However, this was not communicated to us during the process of compiling this report. Without guarantees regarding the timeline for the closure of EPH's coal assets, Beyond Fossil Fuels cannot consider EPH's coal phase-out plans credible.

#### **Stalled renewable energy development**

The information provided by EPH on their solar and wind capacity targets was first found in a media release dated September 2022, in which it was announced that EPH's subsidiaries would develop 7 GW of new renewable energy capacity by 2030.<sup>4</sup> While this initial foray into renewables development is positive, it remains very modest compared to that of the other European utilities covered by our assessment (for instance, Iberdrola is planning to have 12 GW of new renewable capacity installed over the 2022-2025 period). It should be noted that EPH counts biomass under

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<sup>3</sup> In EPH's 2023 sustainability report published on 10 May 2024, EPH clarifies that it "also aims to address its methane leakage and reduce these emissions at least in line with the Global Methane Pledge announced at the COP 26 summit in November 2021" (p. 12).

<sup>4</sup> In EPH's 2023 sustainability report, published on 10 May 2024, EPH clarifies that it "operates a portfolio of renewable generation sources [...] with total installed capacity of 157 MWe (p.262).

its “installed capacity of renewables” and that it constitutes the bulk (82%) of said capacity. EPH announced it is planning to develop an additional 11 GW of storage by 2030.

### **3. Capex allocation**

As of 2023, only 7.4% of EPH’s CAPEX was allocated to sustainable power solutions (0.4% for wind, 0.2% for solar, and 6.8% for transformation and distribution of electricity), with the vast majority (77%) directed towards fossil fuel activities. This includes gaseous fossil fuels and EU taxonomy-non-eligible activities (i.e. generation of power from hard coal and lignite, cogeneration of heat and power from lignite or municipal waste, gas storage and supply, and trading of power and gas).

EPH is clearly off the rail to invest strongly in sustainable technologies and quickly decrease its fossil gas and coal fleet to allow the decarbonization of the power sector by 2035 in advanced economies and by 2040 in other countries, as outlined in the Net Zero by 2050 (NZE) scenario from the International Energy Agency (IEA).<sup>5</sup>

### **4. Climate planning: strategy and governance**

EPH announced that the utility was actively seeking renewable opportunities and that the majority of EPH’s coal intensive assets would be separated into a newly created subsidiary company, EP Energy Transition, which “will have a clearly defined decommissioning strategy”. As of the time of drafting this report, no such strategy exists. On the contrary, EPH is moving over its coal assets to the newly created subsidiary EPTr.

EPH did not provide answers to address our questions regarding the role its board would play in achieving the company’s climate targets and disclosing evidence. Nor did it disclose how its management’s responsibilities and accountability for target implementation are defined. We were unable to find publicly available information that could verify if such measures have been put in place.

### **5. Transparency**

EPH provided answers to only 32 of the 45 questions featured in our questionnaire. The company has clearly shown very weak levels of compliance and little in the way of transparency regarding its data.

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<sup>5</sup> International Energy Agency (IEA), [Net Zero by 2050 Scenario](#), May 2021