

at Broadmeadow which was successfully completed during the quarter," it added.

Production at South Walker Creek was 1.64 million mt for the three months, up 7% year on year and 9% quarter on quarter. And, Poitrel's was 942,000 mt, having risen 22% from the year before but fallen 15% from the September quarter, it said.

BHP's metallurgical coal production comes via its Queensland Coal operation which comprises the BHP Mitsubishi Alliance and BHP Mitsui Coal assets in the state's Bowen Basin.

BMA is Australia's largest coal producer and supplier of seaborne metallurgical coal. It operates seven Bowen Basin mines including Goonyella Riverside, Broadmeadow, Daunia, Peak Downs, Saraji, Blackwater and Caval Ridge, and operates the Hay Point Coal Terminal. BMC owns and operates two open-cut metallurgical coal mines, South Walker Creek and Poitrel.

J.P.Morgan said in a research note Tuesday that the December quarter production was marginally below its forecast of 10.9 million mt. RBC Capital Markets had a similar expectation of 11 million mt, analyst Paul Hissey said.

BHP is expecting metallurgical coal production of 43 million mt-46 million mt for fiscal 2018-2019, with the volumes weighted towards the second half, it said.

The December result means BHP produced 21 million mt in the first half of the fiscal year. So, it'll need to produce 22 million mt-25 million mt in the second half in order to hit the guidance range.

The company saw an average price of \$179.82/mt in the second half of 2018, which is up 9% year on year and down 5% from H1. For hard coking coal it achieved \$197.86/mt, also up 9% year on year, and down 4% from January-June. Weak coking coal averaged \$134.12/mt, up 11% year on year and down 6% from H1, BHP said.

— *Kate Zhou, Nathan Richardson*

Germany needs longer timetable to end coal-fired power: minister

- **Altmaier says half of coal capacity to be left by 2030**
- **Coal closures in 2021/22 unlikely when 9 GW of nuclear close**
- **Coal commission report including end date due Feb 1**

London—Germany needs to retain half of its coal-fired power generation capacity until 2030 to offset the closure of all its nuclear reactors by 2021/22, economy and energy minister Peter Altmaier said Tuesday.

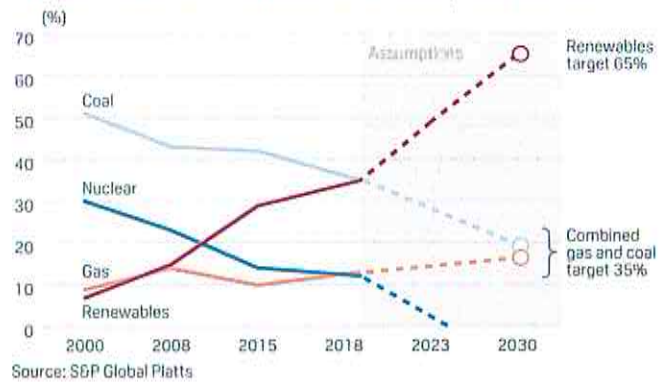
"No other country getting out of coal is also getting out of nuclear power," the minister said at an energy conference in Berlin, adding that "the ending of nuclear and the phasing-out of coal should not overwhelm each other."

"That's why we have to talk about a longer timetable" for closures, he said.

The government-appointed coal commission is finalizing recommendations this week for the phase-out of coal-fired power stations, which provide 35% of Germany's generation mix.

The commission's final report is due February 1.

GERMAN POWER MIX CHANGES FROM COAL, NUCLEAR EXITS



Altmaier said half of Germany's current hard-coal and lignite capacity of just over 40 GW would still be operational in 2030, with any agreed phase-out timetable needing a periodic review based on security of supply and affordability criteria.

German power prices could be 8%-13% higher between 2022 and 2030 under an accelerated coal phase-out compared with a base scenario, analysts at broker Bernstein said Tuesday.

Bernstein assumes 5 GW of coal closures by 2022, of which 3.6 GW would be lignite. Some 2.7 GW of the oldest units are already scheduled for the lignite reserve, with the final two units exiting the market this year.

The minister virtually excluded additional coal closures in 2021 and 2022 as over 4 GW/year of nuclear capacity are set to close.

Altmaier warned of **blackout risks** under various scenarios, but praised grid operators in securing grid stability to date.

The government's priority was to accelerate grid expansion and allow further market integration by 2025.

Planning for a key section of the Ultranet power link, one of five North-South transmission lines, was approved Monday, putting it on track for a 2023 startup, the minister said.

Altmaier flagged the use of gas peakers and hydrogen production from offshore wind as examples of how a future generation system might adapt as Germany moved toward a 65% share of renewables in the power mix by 2030.

— *Andreas Franke*

GERMAN POWER MIX CHANGES

