



Infrastructure

Report: Coal power plant pipeline goes into 'freefall'



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The global pipeline for new coal-fired power plants is contracting fast, offering fresh hopes that the global economy could meet the ambitious climate goals set out in the Paris Agreement.

That is the conclusion of a major new report from Greenpeace, the Sierra Club and CoalSwarm, who today publish the third edition of their annual report on the global coal power plant pipeline.

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The report, entitled *Boom and Bust 2017: Tracking The Global Coal Plant Pipeline*, details how new policies in a number of Asian countries has led to a sharp contraction in the number of coal plants in development over the past year.

Specifically, the level of pre-construction activity in 2016 fell 48 per cent year-on-year, while the number of new projects starting construction fell 62 per cent, and the number of coal plant permits issued in China, the world's largest consumer of coal, slumped 85 per cent.

The report said the primary driver of the trend was to be found in China and India where a combination of new air quality policies, clean energy programs, and financial retrenchment by Indian developers has resulted in construction being frozen at over 100 project sites.

"This has been a messy year, and an unusual one," said Ted Nace, director at the CoalSwarm research network. "It's not normal to see construction frozen at scores of locations, but central authorities in China and bankers in India have come to recognize overbuilding of coal plants as a major waste of resources. However abrupt, the shift from fossil fuels to clean sources in the power sector is a positive one for health, climate security, and jobs. And by all indications, the shift is unstoppable."

The report also revealed how in industrialised nations the speed of coal plant retirements is gathering pace. The survey found a record-breaking 64GW of coal plants have been retired in the past two years, mainly in the EU and US taking the equivalent of nearly 120 large coal-fired units off the grid.

The report comes within days of US energy firm **Dayton Power & Light announcing** it is to shut down two coal-fired power plants in southern Ohio, and further confirmation **from the UK government** it expects coal to be fully removed from the grid by 2023.

The report concludes the combination of a significantly curtailed coal plant development pipeline and an increase rate of coal plant retirements brings the possibility of meeting the Paris Agreement target of keeping global temperature increases below 2C "within feasible reach", as long as the shift away from coal power continues to accelerate.

Nicole Ghio, senior campaigner for the Sierra Club's International Climate and Energy Campaign, said the trend was particularly encouraging, given it is being driven in large part by commercial pressures.

"The staggering uptick in clean energy and reduction in the new coal plant pipeline is even more proof that coal isn't just bad for public health and the environment - it's bad for the bottom line," she said. "Markets are demanding clean energy, and no amount of rhetoric from Donald Trump will be able to stop the fall of coal in the US and across the globe."

Lauri Myllyvirta, senior global campaigner on Coal and Air Pollution at Greenpeace, hailed 2016 as "a veritable turning point" for efforts to tackle climate change. "China all but stopped new coal projects after astonishing clean energy growth has made new coal-fired power plants redundant, with all additional power needs covered from non-fossil sources since 2013," he said. "Closures of old coal plants drove major emission reductions especially in the U.S. and UK, while Belgium and Ontario became entirely coal-free and three G8 countries announced deadlines for coal phase-outs."

Tim Buckley, director of energy finance studies at the Institute for Energy Economics and Financial Analysis, said the report should provide a wake-up call to investors in fossil fuel assets.

"The CoalSwarm data precisely underlines the growing stranded asset risk evident in thermal coal power plant investments globally, particularly when read in the context of other developments in the global coal power industry," he said. "With collapsing coal plant utilisation rates across China and India, and plans to build new plants in those countries drastically curtailed, it has become clear that the world has dramatically overbuilt coal power plants and overestimated the now declining thermal coal demand profile."

His comments were echoed by Paul Massara, CEO of North Star Solar and former CEO of RWE npower, who argued policy interventions and the emergence of cost effective renewables and storage technologies were "making new coal plants redundant before they are even built".

He added that the latest evidence further strengthened the rationale for ambitious climate policies in industrialised nations.

"For us in Britain, there are two clear messages from this report," he said. "One is that the government's decision to phase out coal power is, far from being a risky move, actually putting us ahead of the pack in moving away from the dirtiest form of energy. Secondly, it should challenge Germany and other Western nations who still rely on coal to adopt a faster timescale to close existing plants.

"It also highlights that those claiming that it is pointless, our taking action to tackle climate change because Asian countries are still building coal stations, are increasingly wrong."



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