Coal phase out and energy transition pathways for Asia and the Pacific

17th Session of the Group of Experts on Coal Mine Methane and Just Transition

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Background

- Coal phase out becoming a key element of regional and global climate response
- What are the reasons for this?

- Coal expansion plans in Asia-Pacific put the world off track from climate goals
- The affordability and feasibility of alternatives has improved dramatically
- Risk of stranded assets and associated financial risk from existing and planned coal projects
- Notwithstanding stranded assets risk, building new coal presents a decades long technology and emissions “lock-in”
United Nations Issues-Based Coalition (IBC) Working Group on the Phase Down of Coal

- UNEP, ESCAP, ILO and UNFCCC – combining and coordinating efforts to support the move away from coal.
- Multi-sectoral perspectives covering environment, climate change and just transition.
- Research and knowledge creation, national and regional dialogues, linking to regional and global initiatives (COP26, Energy Transition Partnership).
Coal Sector Growth in the Asia-Pacific (1)

Coal Energy Supply in Asia and the Pacific, 1990-2019

Overall coal use continues to grow after a temporary peak in 2013

Source: International Energy Agency (IEA), World Energy Statistics and Balances
Chart generated from Asia Pacific Energy Portal (asiapacificenergy.org)
Coal Sector Growth in the Asia-Pacific (2)

Electricity Production from Coal in Asia and the Pacific, 1990-2018

Coal demand for electricity production the key driver

Source: International Energy Agency (IEA), World Energy Statistics and Balances
Chart generated from Asia Pacific Energy Portal (asiapacificenergy.org)
A total of 27 countries in the Asia-Pacific region account for almost the entire (94 per cent) global pipeline of coal-fired power plants under construction, planned or announced.
Locked-in emissions from coal fired power plants

Lifetime: 40 years | Capacity Factor: 0.5

ASIA’S COAL BASED POWER GENERATION
INCOMPATIBLE WITH PARIS AGREEMENT BENCHMARKS

Emissions Mt CO₂

<table>
<thead>
<tr>
<th>Year</th>
<th>Current</th>
<th>Planned</th>
<th>Announced</th>
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<tbody>
<tr>
<td>2020</td>
<td>7500</td>
<td></td>
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<tr>
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Paris Agreement Benchmark

Legend:
- Operating
- Construction
- Announced
- Planned
Key Policy Recommendations to Phase Out Coal

- Phase out fossil fuel subsidies, adopt carbon pricing, renewable energy support, encourage shift in investment
- Move to transformational policies, targets and long-term planning in line with Paris Agreement
- Clear pathways to enable anticipation of change and avoid more stranded assets
- Financial support and capacity-building: focus on needed shift of investment
- Regional and international cooperation, private sector engagement, civil society
- Cross border power system connectivity.
- Financial institutions to cooperate on sustainable finance, transparency
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