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New Coal Plants Endanger the Planet

No Space for New Coal

In 2015, already before the Paris Climate Agreement was signed, Christiana Figueres, former Executive Director of the United Nations Framework Convention on Climate Change (UNFCCC) warned that: “There is no space for new coal.”¹

In November 2015, 197 countries agreed to do everything in their power to limit global warming to 2°C above pre-industrial levels. One month later, in December 2015, the research consortium Climate Action Tracker² published a study about new coal plants to be built in the near future.³ This study comes to a sobering conclusion:

“Even with no new construction, emissions from coal-fired power generation in 2030 would still be 150% higher than what is consistent with scenarios limiting warming to below 2°C above pre-industrial levels.”

Today, more than two years later, many companies are still building new coal power plants. In fact, right now, 1500 new power plant units are being planned at 850 locations worldwide⁴.

Destructive Plans

Looking at the list of 120 coal companies we have compiled, you may be surprised, because not all of them are typical coal companies. However, these companies are either planning very large coal expansions of more than 3,000MW each, or they are planning coal expansions in countries that do not yet have any coal plants, such as Egypt, Malawi, Venezuela and many more. Putting new coal plants in countries that have never had any coal plants before creates coal dependencies for decades to come. To be cost-effective,

¹ The Guardian (2015): <https://www.theguardian.com/environment/2015/may/04/un-climate-chief-says-the-science-is-clear-there-is-no-space-for-new-coal> [accessed on: 16, June 2017]

² Research consortium composed of Potsdam Institute for Climate Impact Research, Ecofys, Climate Analytics and the NewClimate Institute.

³ Climate Action Tracker (2015), [accessed on: 16, June 2017]

⁴ 1619 new coal blocks are planned at 849 different locations. At some of those locations these are not entirely new coal plants, but expansions of already existing power plants. (Data: Coal Swarm)

coal plants have to run for at least 40 years or longer. If the 120 coal companies presented here get the funding for their destructive plans, global temperatures will go up by 4 degrees. The result would be climate hell for all of us.

Blacklist Coal Expansion Companies

What can be done to stop these new coal plants? If companies do not get the necessary funding, they cannot put their disastrous plans into action. Therefore, banks and investors should do the right thing and divest the 120 coal expansion companies immediately. Our data shows which companies plan new coal power, exactly how much and where. Blacklisting these companies is the way to go. This means no more loans, shareholdings, bondholdings, insurance contracts.

Is China Really Reducing Coal Plants?

If you know the coal industry, you might have heard some very encouraging messages in the past few months. In January 2017, China announced it would cancel 104 coal plants, some of them already under construction.⁵ In May 2017, China's National Energy Administration stated that *"28 of China's 31 mainland provinces do not currently have the right financial or environmental conditions to build new coal capacity."*⁶

But, be careful: Chinese companies are already putting out their feelers to new markets. In Pakistan, for example, 4 coal plants are being built and another 2 are in planning to be built. This is happening, even though Pakistan has ample potential for solar energy.⁷ A well-informed source from Pakistan, who asked not to be named, says that China's coal strategy has undergone a change, and now: *"China's CO₂ is shifting to Pakistan."* Every cancelled coal plant is a reason to celebrate, but every coal plant being built leads us away from the 2°C Paris Climate goal and makes us slaves to an outdated destructive technology for decades.

Who are the Companies Behind Coal Plant Expansion?

Some of the companies on the coal expansion list will probably surprise you. It is not only utilities that are responsible for new coal plants. Our research shows that many companies that are building new coal plants are not known to be coal companies. Marubeni is a Japanese general trading company which operates globally. According to its website, Marubeni is involved in *"food materials, food products, textiles, materials, pulp and paper, chemicals, energy, metals and mineral resources, transportation machinery, and includes offshore trading."*⁸ Marubeni, however, is also the 26th largest coal plant developer globally. The company is the driving force behind new coal plants in Botswana, Egypt, Indonesia, Japan, Mongolia, Myanmar, Philippines, South Africa and Vietnam.

⁵ Greenpeace (2017): <http://energydesk.greenpeace.org/2017/01/16/china-coal-power-overcapacity-crackdown/> [accessed on: 16, June 2017]

⁶ Greenpeace (2017): <http://energydesk.greenpeace.org/2017/05/16/china-coal-overcapacity-policy-hits-provinces/> [accessed on: 16, June 2017]

⁷ Boom and Bust Report (2017): <http://endcoal.org/wp-content/uploads/2017/03/BoomBust2017-English-Final.pdf> [accessed on: 16, June 2017]

⁸ Marubeni company website: <https://www.marubeni.com/company/profile/index.html> [accessed on: 16, June 2017]

Coal is certainly not the 1st thing that comes to mind when you hear the name PetroVietnam. The petrol company is the 43rd largest coal plant developer. It wants to build new coal power units of 3,600MW in Vietnam.

ToyoInk is an especially bizarre case. The Malayan printing ink and materials manufacturer is looking for new business models and has decided to become active in the coal plant market⁹.

Expansion Madness

The Philippines is one of the most climate-vulnerable countries in the world. Massive typhoons have shaken the country in recent year. On 8 November, 2013, typhoon Haiyan struck, leaving a path of destruction. It was one of the most intense tropical cyclones ever recorded and left 6,300 people dead. In the Philippines sources of renewable energies are plentiful. Therefore, it would make sense to develop the 12,000MW needed from renewable sources. However, coal companies are ready to fill the energy gap with new coal plants. If these established coal companies continue to be financed their plans will become reality, to the detriment of the people. Already plans exist to build a gigantic coal plant in the center area that typhoon Haiyan destroyed. This madness must be stopped.

With coal the future looks bleak. Environmentalist, author and founder of the divestment organization 350.org, Bill McKibben, puts it quite bluntly: *“It does not make sense to invest my retirement money in a company whose business plan means that there won’t be an earth to retire on.”* Our future can shine bright however, if we put our money to good use. Urgewald’s forward-looking divestment tool is a revolutionary stepping stone on the way to such a bright future.

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⁹ The Star Online Malaysia (2016): <http://www.thestar.com.my/business/business-news/2016/09/09/toyo-ink-plans-to-venture-into-power-plant-business/> [accessed on: 16, June 2017]