

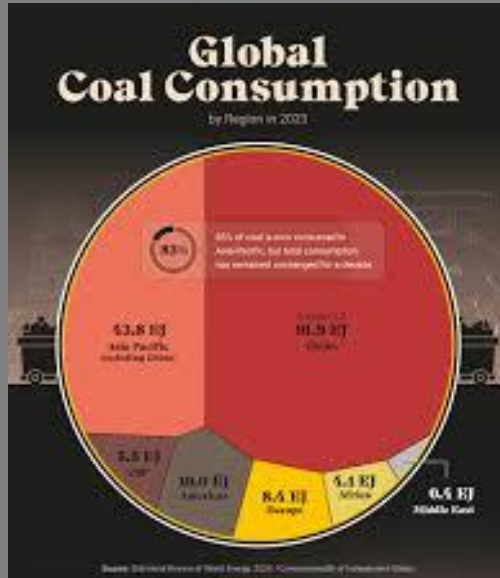
E3
ENGAGE
EMPOWER
ENHANCE

Advising Greentech companies
to help maximize growth

You Thought Coal was Dead – Think Again



...and what is the captive coal
loophole?



Asia is now responsible for the majority of global greenhouse gas emissions.

Not surprisingly, coal continues to play a major role in the region's economic development.

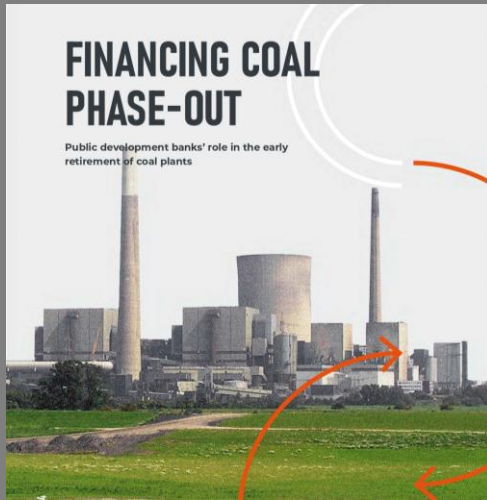
Ironically, net-zero is driving coal demand



- The Asian region is densely populated, growing fast, and already boasts a population that is greater than the US and Europe combined.
- Industrialization in the region occurred well after that of the West. Consequently, its coal plants are newer and can still run profitably.
- In many cases the coal plants are powering components of clean energy including the nickel refinery sector in Indonesia, lithium processing, and EV manufacturing.

Most concerning is a loophole for a form of coal that does an end around on global coal financing restrictions.

See Next Slide



In 2022, following COP27, the G7 nations put together a framework to help coal-dependent nations - including Indonesia and Vietnam - to retire their coal plants early.

A growing number of Western financial institutions also agreed to stop financing coal energy.

What is captive coal?

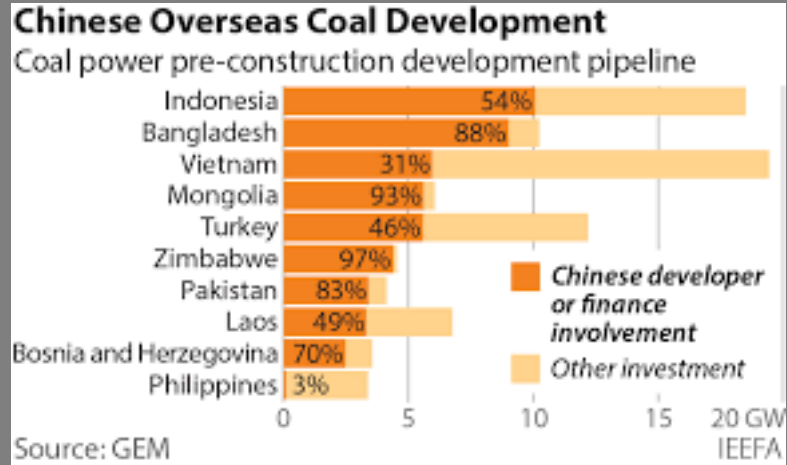


- Captive coal describes coal-fired power plants that are not connected to the national electric grid .
- Think of them as “behind-the-meter” facilities.
- Captive coal plants are used to power individual energy-intensive industrial facilities.

What's the loophole?

See Next Slide

...but captive coal is excluded



- According to the Global Energy Monitor (GEM) captive coal facilities are operating or planned in India, Indonesia, the Philippines, and Vietnam.
- Because of the economic dependencies associated with these plants, international financing bodies have chosen to exclude captive coal from their “we won’t finance coal” pledges. This includes:
 - The World Bank
 - Asian Infrastructure Investment Bank (AIIB), and
 - Asian Development Bank
- It has also been reported that it is unlikely that COP29 will result in new restrictions for captive coal.

You’ll never guess who is a major funder of captive coal?

That would be China.

Surprised? Not.

China and its companies have built and/or financed at least 70% of Indonesia’s captive coal.



According to the International Energy Agency (IEA) increased power needs are outstripping the ability for renewables to fill the demand.

As a result, it revised its near-term forecast for global coal upward.

It did reduce its midcentury forecast, but that may be more a PR move than founded in reality.

Peak coal? Not so fast

Coal's uncertain future

Forecast for global coal demand, under current policies.

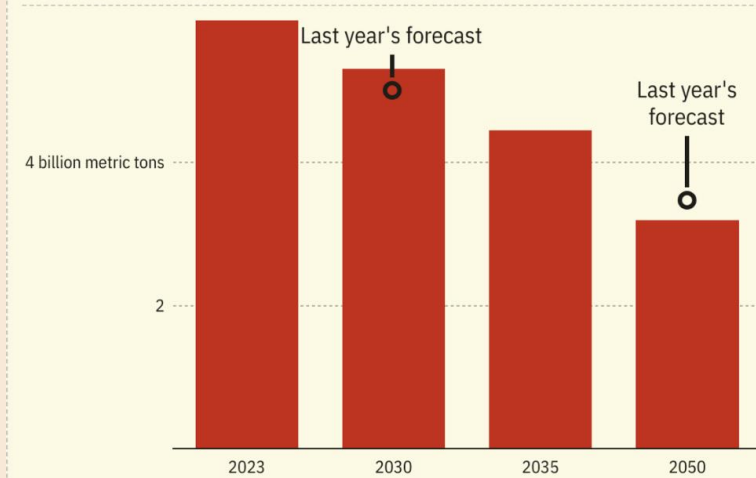
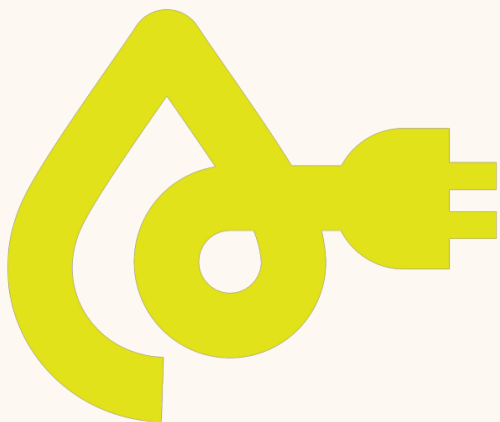


Chart: Tim McDonnell/Semafor • Source: International Energy Agency

- Javier Blas of Bloomberg described the dynamic as “a sign of the uneven fits-and-starts nature of the energy transition.”
- That’s nicely put.
- I have my own description: net-zero whack-a-mole.
- And I believe it’s a byproduct of mistaken priorities and a poorly thought-out long-term strategy.



E3
ENGAGE
EMPOWER
ENHANCE



Advising Greentech
companies to help
maximize growth

Unbiased and Unfiltered

- An honest assessment of the climate change effort.
- I cover what's working – but more important - the issues/roadblocks that the industry would prefer to ignore.
- A must-read for anyone with a desire to understand what's really going on with renewable energy and climate change.



If you find my posts informative,
please follow and connect with me,
and share these posts.

in

SHARE

Follow

OR

Connect