Press release

China's overseas coal pledge: Two years down the line, one third of coal power projects cancelled

BEIJING, 16 October 2023 - At the 2021 United Nations General Assembly, China – the world’s largest builder of coal plants – committed to halting financing and construction of new coal-fired power plants overseas, marking a significant step towards a more sustainable and environmentally friendly future.

President Xi’s announcement was met with global acclaim as it promised to curtail the construction of 103 coal plants in 28 countries, with a combined capacity of 104 gigawatts, which were either planned, considered, or already in construction under Chinese financing or engineering procurement and construction (EPC) agreements. This would mean potentially avoiding approximately 471 million tonnes of carbon emissions annually.

One year after this pivotal declaration, the Centre for Research on Energy and Clean Air (CREA) published a report monitoring and tracking the progress of China’s commitment. Today, CREA has published an update on the developments surrounding these coal plants. As of August 2023, some 36 gigawatts (GW) overall of coal project capacity has now been cancelled, avoiding 4.1 billion tonnes of carbon emissions, demonstrating the potential impact of China’s pledge when implemented.

“Vietnam, Indonesia and Mongolia make up the top three countries with the largest cancelled capacity of China-backed coal power. Indonesia, while not having any new projects in the permit stage, has nearly 16 GW of capacity either under construction or operating, showing that there is still a long way to go to completely halt overseas coal funding from China”, said CREA’s Nandikesh Sivalingam.

The report also reveals a concerning trend. While progress has been made in cancelling and shelving coal projects, the number of operational coal plants financed by China has increased. As of August 2023, 18.1 gigawatts of overseas China-backed coal plants were in operation that had been commissioned since President Xi’s pledge. Furthermore, despite the pledge, 7.2 gigawatts of China-backed capacity have been pushed forward over the last two years, with some of them being revived after being cancelled or shelved, and a few even starting operations. Additionally, captive coal plants remain a matter of concern. They continue to expand, totalling 3.1 gigawatts of capacity by the end of August 2023.
“China’s commitment to curbing overseas coal plant investments remains strong with one third of the projects being cancelled over the last two years resulting in considerable progress made in reducing potential carbon emissions. There is definitely more potential for China to go further with cancelling the remaining coal projects or to convert them to renewable energy’, emphasised Sivalingam.

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Note

The CREA report related to this press release can be found here. All CREA publications can be found here.

About CREA

The Centre for Research on Energy and Clean Air (CREA) is an independent research organisation focused on revealing the trends, causes, and health impacts, as well as the solutions, to air pollution. CREA was founded in December 2019 in Helsinki and has staff in several Asian and European countries. The organisation’s work is funded through philanthropic grants and revenue from commissioned research.

www.energyandcleanair.org

About PACS

People of Asia for Climate Solutions (PACS) aims to inspire climate hope and promote climate actions in Asia, by working with and for people, from climate victims to renewable energy technicians, from energy consumers to investors, from journalists to governments. With the world’s largest population, the fastest growing population, economy and urbanization, Asia is at a historical moment with a historical obligation to turn the climate crisis into an unprecedented opportunity for a cleaner, fairer, safer and stronger global future.
About the methodology

In this report, the Scope 1 direct CO2 emissions associated with coal combustion for power generation were estimated. For each coal plant unit, carbon dioxide emissions were calculated based on:

- unit capacity in megawatts (MW)
- emission factor (kilograms of carbon dioxide produced per gigawatt hours) for each type of coal
- heat rate as a measurement of how well a plant performs the task of converting coal into electricity
- capacity factor based on the actual utilisation rate of coal plants in each country in 2022
- an operating life until 2050 for new coal plants, in line with recommendations for coal phase-out in developing countries by the IEA and IPCC. If the start year for plants that are in the approval stage is not available in the Global Energy Monitor (GEM) database, 2025 was assumed to be the start date.

Except for the capacity factor and years of operation, individual plant information was obtained from GEM’s Global Coal Plant Tracker database. Further details can be found at Estimating Carbon Dioxide Emissions from Coal Plants on GEM.wiki.