

World fritters away half trillion dollars on coal support

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Nations around the world risk wasting \$640 billion by continuing to prop up the coal industry rather than investing in less expensive and environmentally friendlier wind and solar power initiatives.

In a report issued Thursday, financial think tank Carbon Tracker said 60 percent of the world's coal power plants are generating electricity at a higher cost than renewable energy alternatives would offer.

As green initiatives have made inroads in recent years, investors have abandoned their century-old reliance on coal. But due largely to political pressures, governments continue to fund the [coal industry](#). The Carbon Tracker report warns against such a practice.

"Renewables are out-competing coal around the world and proposed coal investments risk becoming stranded assets which could lock in high-cost coal power for decades," said Matt Gray, Carbon Tracker co-head of power and utilities and co-author of the report. "The market is driving the low-[carbon](#) energy transition, but governments aren't listening."

According to Carbon Tracker senior analyst Sriya Sundaresan, "Investors should be wary of relying on continued [government support](#) for coal when a phase-out will save their voters billions and make their economies more competitive."

In order to cap [global warming](#) to 1.5 degrees Celsius by the end of this century, according to goals set by the Paris Agreement on Climate Change, global reliance on coal power would need to be significantly cut before the year 2030. Specifically, by that target date, an 80 percent reduction from 2010 coal levels needs to be achieved. Furthermore, according to the Carbon Tracker report, one coal plant has to close down every day until 2040 to meet the 1.5 degree Celsius global warming cap.

The report, titled "How to Waste Over half a Trillion Dollars," said the threat of [climate change](#) and clear environmental and [economic benefits](#) make immediate action necessary. It found almost 500 gigawatts of new coal power is planned or under construction globally.

"It makes economic sense for governments to cancel new coal projects

immediately and progressively phase out existing plants," the report stated.

The report noted that China faces especially urgent choices. Half the world's coal energy is produced there, with seven in 10 plants costing the Chinese more than solar and wind farms would. With the tremendous hit their economy took as a result of COVID-19, which appears to be easing up in China in recent days, they nevertheless would benefit by rethinking their tremendous reliance on coal and resisting efforts to allocate economic stimulus funds to a dying industry. Carbon Tracker urged China to "avoid investing in coal power, which is economically redundant and environmentally disastrous."

Globally, a more environmentally aware populace is showing growing support for energy alternatives such as solar, wind, hydro, tidal, geothermal and biomass sources.

"Policymakers need to stop new investments in [coal](#) power immediately and redesign [power](#) market regulation to minimize stranded asset risk and accelerate the transition to a low-carbon economy," the report concluded.

More information: [carbontracker.org/reports/how- ... -a-trillion-dollars/](https://carbontracker.org/reports/how-half-a-trillion-dollars/)

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