Coal transitions: what is happening internationally?

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Six leading research teams from 6 major coal using economies: China, India, South Africa, Australia, Germany, Poland.

Exploring the conditions for feasible and just pathways to coal transitions, compatible with <2°C goal of Paris Agreement
Globally, coal demand is peaking

Globally, coal consumption appears to be peaking.

Different trends across regions, however...

...We see global demand will likely begin to go into decline during the 2020s.

Rate of decline will need to accelerate substantially to achieve the goals of the Paris agreement.
Trends in coal consumption forecasts underscores downside risks for the sector.

Forecasts for coal consumption out to 2030 have consistently been revised downwards due to underlying structural trends moving against coal...
China (~50% of global demand) has placed a cap on coal consumption. A range of policies being implemented that will likely lead to declining consumption during next 10 years.

India has been expanding coal production and generation, but from 2020 net new investment will cease. Goal for **175 GW** of renewables by 2022
Policy driven coal transitions are gaining momentum

2017: 36 governments and over 50 companies sign on to Powering Past Coal Alliance - pledge to phase out coal by 2030 or earlier.

2018: Spanish government reached deal with workers unions and regional governments of 4 coal mining regions to exit domestic coal mining

2018/19: EU has agreed on Clean Energy Package

Jan 2019: Germany (5th largest coal consumer in the world) found compromise between stakeholders to phase out coal by 2035-2038.

Feb 2019: Glencore miner in AU, CO, ZA, announces cap on global coal production – part of strategy to limit exposure to coal and diversify.

Feb 2019: Key court ruling in NSW (Australia) to block opening of new coal mines for climate change reasons.

Feb 2019: China limits imports of Australian coking coal equivalent to ~10% of Australian exports of coking coal
Alternatives to coal power are becoming more affordable and reliable.

Coal transitions being driven by a number of factors – economics, climate policy, air and water quality concerns, a declining social licence for coal, regulatory risks; etc.

Likely to intensify and speed up transition over time.
Feasible long-term pathways exist to phase down coal consistent with the Paris Agreement.
Coal transitions have started happening already

The outlook for coal is changing quickly, with large downside risks for major exporters

Coal transitions are driven by climate and non-climate policy factors that will tend to intensify over next decade and beyond,

Stakeholders can manage these changes, but need to use limited available time to start their own transition process now.