

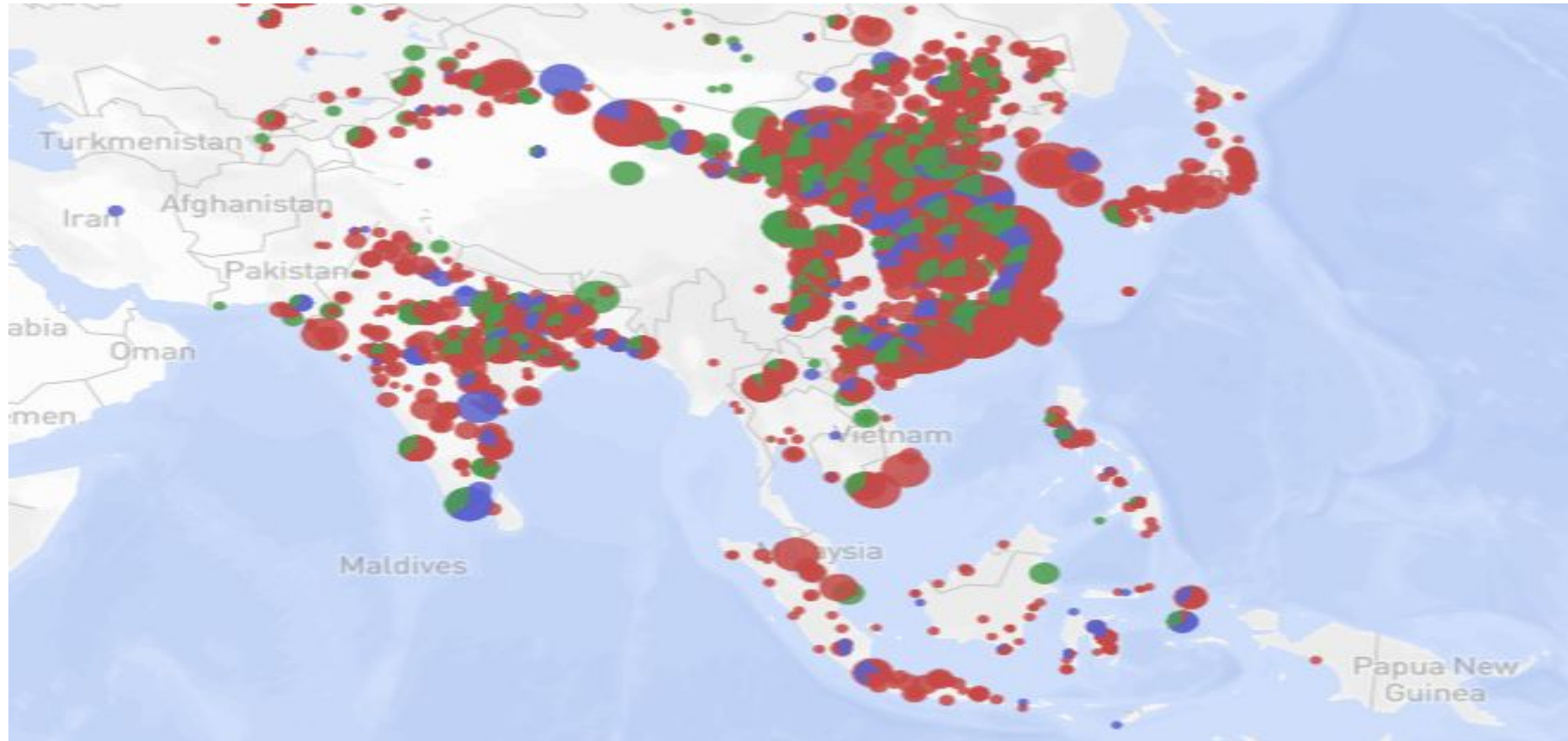


Fossil Fuel Expansion in Asia-Pacific



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Asia Pacific**

Asia's Coal Map



Coal Trends

- In 2021, President Xi Jinping announced China would stop coal financing abroad. China was at that point the world's largest coal financier.
- In Bangladesh, this was followed by the cancellation of 10 coal based power plants.
- This announcement was accompanied in 2021 by similar commitments from South Korea and Japan.
- Japan (JICA) maintained two high profile exceptions to this - the Matarbari Phase II in Bangladesh and the Indramayu Phase IV in Indonesia. Eventually both projects were cancelled after sustained pressure.
- Across the region and globally, coal development has hit a new low and the amount of cancellations are now almost as large as the total operational capacity.

But there are exceptions...

- China and India account for 82% for pre-construction capacity (announced, pre-permit and permitted)
- Two thirds of new coal power (~47 GW) coming online in 2023 was in China. Indonesia (5.9 GW) and India (5.5 GW) were the next two on the list.
- 70% of coal power under consideration is in China. India is a distant but significant second at about 12%.
- Coal Power Plant retirements are also slowing - a sign of what is coming to extend the lifetime the coal.
- In Bangladesh, only one coal power plant remains under construction after the mega investments in pivoting for coal infrastructure failed (Patuakhali RNPL 1320 MW).

Asia Gas Map



Gas Trends

- 65% of new gas fired capacity is in Asia
- Southeast Asian countries have planned to invest 220 billion USD toward rapidly scaling up gas capacity. The implementation of the plan would see a doubling of gas capacity in the region and raise LNG imports into the region by 80%
- LNG is often promoted as a cleaner fossil alternative - but its not.
- “Gas as a transition fuel” is a narrative that has taken hold across Asia as countries chase resources for energy security and development.
- Many Asian governments are aggressively pursuing LNG expansion
- Due to volatility and high prices of LNG in the spot market, (particularly after Russia-Ukraine war began) many Global South countries have taken on massive economic stress and escalating debt
- A poor choice environmentally and economically

Bangladesh Integrated Energy and Power Masterplan - a case study

- The IEPMP was approved in November 2023 despite lot of disapproval from civil society
- The plan was drafted by the Institute of Energy Economics, Japan who were taken on by JICA to devise the plan.
- JICA had previously also devised the Power Sector Master Plan (PSMP) 2016 and its update in 2018
- The IEPMP is “soaked in fossil fuels and not aligned with the Paris Agreement” said Japan Centre for Sustainable Environment and Society (JACSES)
- According to the Institute of Energy Economics and Financial Analysis, the plan does not pay adequate attention to i) Overcapacity, ii) Renewable Energy and iii) Risks of unproven technologies and fuels.
- The IEPMP is a plan toward 2050 - a departure from the traditional 5 year PSMPs that preceded it

IEPMP cotd.



The IEPMP has projected that the country's peak power demand will reach 27.1 GW in 2030 and following 7% growth/annum and 84.6 GW by 2050. To meet this demand, IEPMP estimates the need for an installed power capacity of 35.4GW.



Current overcapacity is high - more than 40% in 2022, and has been a sign of low efficiency in the system.



High capacity payments beleaguer the industry and has created an oligarchy around the energy sector.

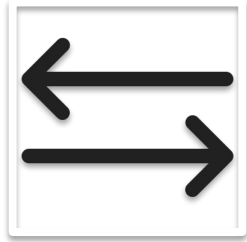


The IEPMP continually dismisses RE, - either calling it too variable and intermittent and even replacing the rhetoric of "green energy" with "clean energy"

IEPMP cotd.

- Instead the fuel mix put forward by the IEPMP for the 2041 target only has room for 24% domestic renewables with more than that coming only from LNG and other Gas (27%).
- The trajectory of RE prices (with battery) is ignored and the IEPMP directly contradicts the Mujib Climate Prosperity Plan which promises 40% by 2041 - a commitment still today regularly reiterated by the government.
- Instead it offers significant roles to unproven technology and false solutions such as **CCS, hydrogen and ammonia co-firing**, extending the life of fossil based assets
- Has been accused of serving Japan's interest over Bangladesh's.
- Issues with transparency, an already struggling LNG procurement amidst economic slowdown, and high levels of cronyism and corruption have contributed already to economic uncertainty in Bangladesh.

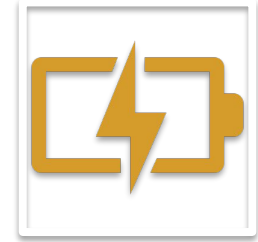
Transition fuel?



If LNG is a transition fuel,
when is the transition?



If ammonia keeps coal
alive, when is the
transition?



If CCS and Hydrogen use
more LNG, when is the
transition?