The key role of renewables for climate and implications for COP26

Ken O'Flaherty, COP26 Regional Ambassador to Asia-Pacific and South Asia Singapore International Energy Week IRENA Roundtable on the Global Renewables Outlook



October 2020

The energy transition campaign has four elements These will support countries to phase out coal and focus on renewables



Energy Transition Campaign





Engaging key countries to join the Powering Past Coal Alliance and commit to coal phase out, with developed countries taking the lead

Reduce international coal financing

Pushing back on international coal finance

More attractive clean energy offer

MDBs and donors support developing countries to increase use of renewables and commit to reduce new coal pipeline, a moratorium on coal, or refreshed national energy plans



New financial framework

Establishing financial and technical assistance to support a just transition away from existing coal

The Clean Energy Transition is now a global trend:

- Every \$1 spent to advance the global energy transition **yields \$3-8 in return.**
- By 2022, 60% of all coal plants globally will be uncompetitive
- Solar and wind now **cheaper than coal** in all ASEAN Member States & these prices will continue to fall
- Investments in renewable energy generate 3x more jobs than investments in fossil fuels
- Renewables can boost the economy in SE Asia by more than 4.4%, growing jobs by almost 50%
- Green recovery can also build resilience to shocks

Technology cost-declines since 2010 (Bloomberg NEF)



Cost and competitiveness of new coal power investments throughout the world

New investments in renewables are cheaper than new investments in coal in all major markets today.

Over half of coal plants operating today cost more to run than building new renewables.

Almost 30% of new coal projects could enter the market unprofitable on an underlying basis.

Country or region	Under- construction (MW)	Announced, permited and pre- permitted	Capital cost (\$/mn)	Year when renewables is cheaper than new coal
China	99,710	106,176	158,338	TODAY
ASEAN	22,883	55,011	123,930	TODAY
India	36,698	29,327	79,850	TODAY
Turkey	1,465	31,715	64,032	TODAY
Japan	9,269	2,612	31,020	TODAY
EU	4,890	2,700	16,074	TODAY
United States	•			TODAY
Other	24,657	71,978	164,818	N/A
Total	199,572	299,519	638,062	N/A

Source: GEM (July 2019), Carbon Tracker (2020)

Notes: Today is the earliest that renewables are cheaper than new coal, but the dates range within the ASEAN region from today to 2022.

COP26 Energy Transition Council

- Objective: to accelerate the transition from coal to clean power as part of a green economic recovery, through enhanced international cooperation.
- Bring together the global political, financial and technical leadership in the power sector over the 13 months to COP26.
- Create an effective dialogue between countries with energy transition needs and the international actors who can support them, to achieve demonstrable progress by COP26.
- Complementary to the PPCA

International technical, financial & political support package



Country commitments by COP26 to scale up clean power and scale back coal

IN PARTNERSHIP WITH ITALY

UK support towards a green finance and a low carbon transition in ASEAN



- The UK's £15 million ASEAN Low Carbon Energy Programme focuses on green finance and energy efficiency transitions in Thailand, Malaysia, Vietnam, Indonesia, Myanmar, and the Philippines
- The £13 million Mentari UK-Indonesia Low Carbon Energy Partnership supports Indonesia by driving sustainable economic growth
- The **UK PACT Programme** supports the Malaysian Government in enhancing climate governance, and work is expanding in the region with the **Green Recovery Challenge Fund**, dispersing £12 million over two years to help countries accelerate their low-carbon transition.









IN PARTNERSHIP WITH ITALY