

Coal is still king in renewables-focused Asia

ASIA

When Asian countries trumpet the potential of renewables, it also comes with an implicit admission: They will still depend heavily on coal if they are to reach their economic growth aspirations in the coming decades. “Whilst Asia is also seeing a shift towards renewable energy and policies to increase renewable energy’s share of the energy mix, Asia is likely to continue to rely substantially on coal-fired plants for the near future,” says Andrew Digges, partner at Ashurst LLP.

“The reason for this twin-track approach is primarily due to the very simple reasons of the need to utilise multiple generating sources in order to meet the vast energy needs of a region that includes a number of developing and industrialising countries and the abundance of efficient and cheap coal,” he adds.

Even as renewable energy capacity continues to grow as a proportion of the collective, Digges argues that coal will remain an important part of Asia’s energy future. It is only in the longer-term horizon that the heavy shift to renewable generating capacity will be felt, driven by a further declining cost of renewable energy, improvements



Countries simply can't turn away in a snap

in storage technology, and increased global anti-coal sentiments.

Can coal be downsized?

Enerdata estimates that stronger climate and energy policies can help reduce the emissions from the power sector, a key rallying point for anti-coal advocates.

“If aggressive energy policies are implemented, coal-based power generation will be downsized by 40% from 2015 to 2040. Growth in natural gas-based generation will also be restricted under tighter policies,” says Antonio Della Pelle, managing director at Enerdata Singapore.

Enerdata also suggest solar and wind will continue to be the leading sources of renewable energy in the Asia Pacific region, with China, India, and possibly, Korea emerging as frontrunners in nuclear. Korea too, could emerge as a nuclear powerhouse as it attempts to move away from coal.



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Japanese nuclear restarts face intensified opposition

“Not in my backyard,” say Japanese local communities, as they rally to oppose idle nuclear facilities that have applied to restart in the country due to safety concerns. This has led to a string of court injunctions and wavering support from prefecture governors, making it “highly uncertain” for these nuclear facilities to restart in a timely manner, says Daniel Brenden, renewable energy analyst at BMI Research.

He reckons widespread public opposition to nuclear restarts will persist and weigh on a pronounced nuclear power rebound in Japan over the coming decade.

Nuclear’s share gets smaller

“Nuclear power will contribute a much smaller share of the power mix over the coming decade than it did pre-Fukushima,” says Brenden, predicting nuclear to contribute only 4.7% to total power generation by 2026, down from a previous forecast of 8%.

This means coal and gas-fired generation will continue to dominate Japan’s power generation mix until 2026, and the country will rely heavily on imported fossil fuel feedstock, especially considering an anticipated slowdown in renewable energy capacity growth.



A restart is now highly uncertain



Daniel Brenden, BMI Research

PLANT WATCH

Azure Power unveils 150MW solar project in Punjab



Indian solar power producer Azure Power announced that it has commissioned the largest (150MW) solar power project in north India, in the state of Punjab. For this project, Azure Power had signed a solar power implementation agreement with Punjab Energy Development Agency (PEDA) under its Solar Policy Phase III. The 150MW solar power plant represents a portfolio of three projects of 50MW each. The weighted average tariff on these projects is US\$ 8.5 cents per kWh.

ReNew Power gets \$390m loan for 709MW projects



With the financing from the Asian Development Bank, ReNew Power will develop PV solar power projects with combined capacity of 398MW in Jharkhand and Telangana, and wind power projects with total capacity of 311MW in Andhra Pradesh, Gujarat, Karnataka and Madhya Pradesh. The projects are expected to produce 1,400GWh of electricity.

AC Energy inks \$150m wind project in Indonesia



Philippines-based AC Energy Holdings signed investment deals with UPC Renewables Indonesia to develop, build, and operate the \$150m Sidrap wind project in South Sulawesi, Indonesia. The Sidrap Project is Indonesia’s first utility-scale wind farm project and is expected to generate 75MW. Completion is targeted before end-2017. This is not the first time for UPC Renewables and AC Energy Holdings to work together on a project.