Clean Energy Advantage

Declining coal companies are using deceptive PR to push coal for developing countries, but renewable energy is increasingly the choice for energy access in the developing world.

Developing countries are choosing renewables

- Worldwide, solar installations are doubling every two years, with developing countries now installing renewable energy projects at nearly twice the rate of developed nations. Renewable energy is now projected to overtake coal as the world’s largest source of electricity within the next 20 years.

- In Bangladesh, nearly 20 million people get power from solar, and 100,000 household solar systems a month are being installed. India is planning to add wind and solar capacity in the next decade to power hundreds of millions of homes. Within five years, wind turbines in China are expected to produce nearly two and a half times the entire power generating capacity of Britain, and China is on pace to triple its solar power capacity by 2017 to cut its use of coal.

Clean energy is practical, cost-effective, and provides local economic benefit

- The large majority of people without access to electricity live in rural areas in sub-Saharan Africa and developing Asia, meaning most are best served by mini-grids or off-grid power coming from renewable sources, according to the International Energy Agency. A Citi group assessment concurs, finding that as a result, coal’s share of total energy in Africa may be cut nearly in half by 2040.

- In India, a village located more than five kilometres from the electrical grid can be served by local renewable energy sources far more cost-effectively than by conventional sources given the high costs of grid transmission infrastructure. It’s instructive that while India has doubled its coal capacity since 2002 the country has connected just 6.4% more of its rural population to the grid – coal largely is not serving the rural energy poor. In contrast to the years it can take to build fossil fuel plants, a solar panel can be installed on a roof in one day and a solar plant built in as little as three months.
A large coal power plant can cost over $1 billion, unaffordable for many developing nations. Prices of utility-scale renewables have dropped to the point where they are meeting or beating coal and gas on price in some markets and will soon in others. In the U.S., wind power is now nearly half the cost of coal and two-thirds the price of natural gas. In a recent solar power auction in India the winning company bid under 9 cents per kilowatt hour, cheaper than using imported coal for power.

Investing in distributed renewables brings jobs and economic stimulus and investment into the communities being served, rather than to corporate coal interests that want to mine coal in the U.S. or Australia and ship it to developing countries. In Bangladesh, solar growth in recent years has created 114,000 jobs. Globally, there were an estimated 6.5 million jobs in renewable energy in 2013 – including 2.6 million in China, 894,000 in Brazil and 391,000 in India – and the numbers are growing. With wind power poised to potentially supply up to 19% of the world’s electricity by 2030, 2 million new jobs would be created.

In a clean energy era, coal companies turn to deception

More than 12,800 megawatts of coal-fired power in the U.S. is expected to be shut down in 2015 and coal use is projected to fall; in Europe, coal demand has fallen to a five-year low and will continue to drop for the next five years. In China, where air pollution from coal has killed millions, plans are in place to cap coal consumption by 2020. More than a third of Chinese provinces have pledged to begin reducing their coal consumption by 2017 and banned construction of new coal power plants.

Transition to cleaner energy than coal in many places is being driven by economics and concern about coal’s massive contribution to climate change and its devastating impacts on human health. Coal corporations are being affected financially. Peabody Energy, the biggest coal company in the world, has lost 88% of its market value and not reported an annual profit since 2011.

Facing further decline as a clean energy era unfolds, the coal industry has turned to a deceptive PR campaign purporting that coal is the way to address the very real problem of energy poverty in developing nations (and so therefore no one should stand in coal’s way). To run the campaign, Peabody Energy hired the same PR company that helped the tobacco industry deny that secondhand smoke is a health problem. In reality, analysis finds that Peabody actually does nothing to address energy poverty except funding PR pushing its product and buying social media likes and followers to fake support. In the cases where coal companies do contribute to programs to directly address energy poverty, those programs don’t use coal to provide energy access – they use distributed energy sources instead.