

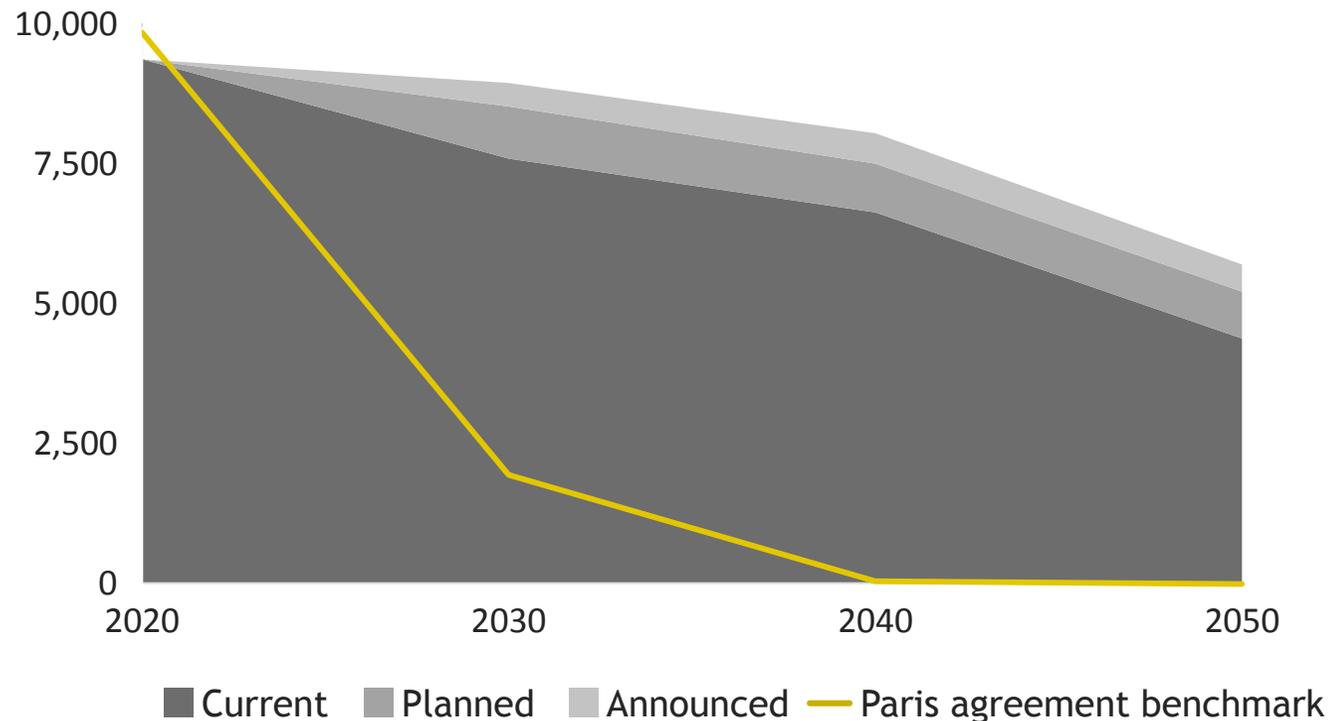
# PPCA Finance Principles Green Finance Webinar

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# Context: Current and planned coal power capacity is well beyond levels needed to meet the goals of the Paris Agreement

## World's coal-based power generation

Generation TWh



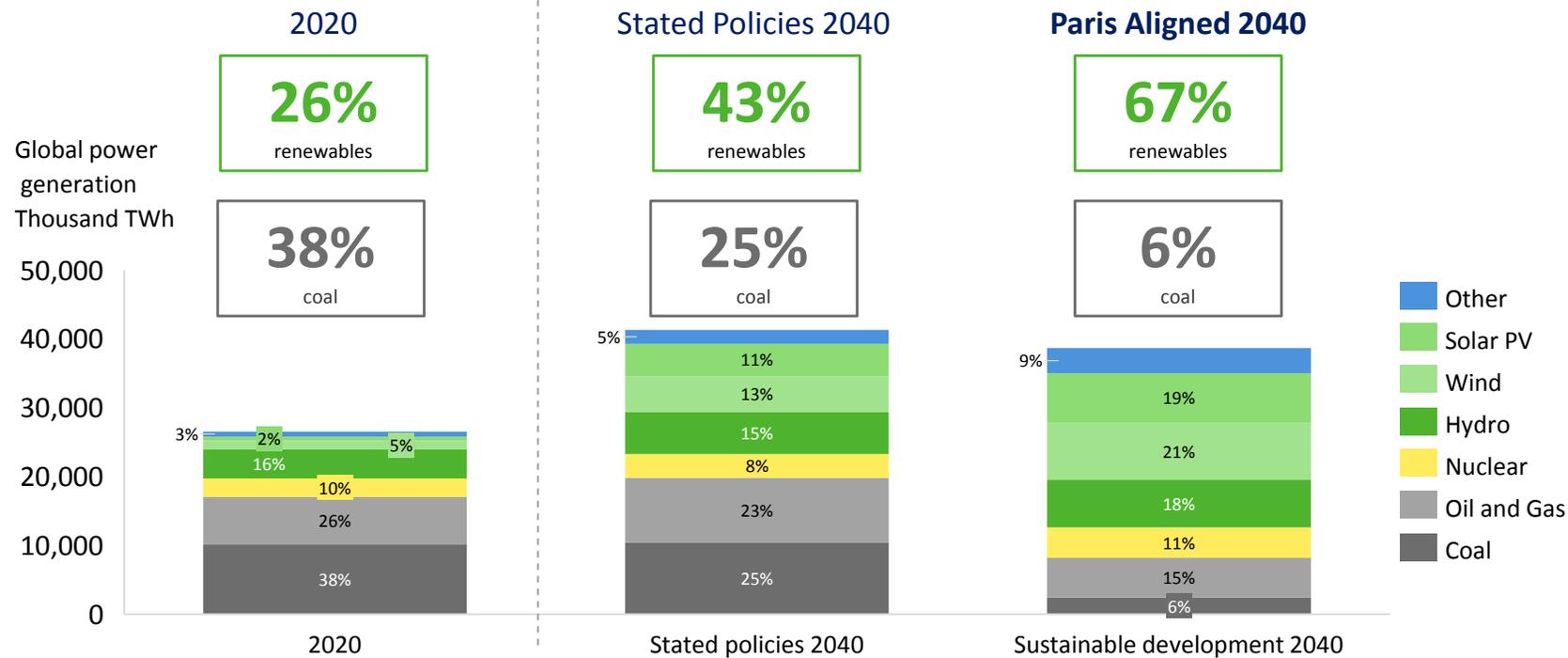
Source: Climate Analytics, September 2019; Global Energy Monitor

Global emissions from coal power account for **32%** of total CO<sub>2</sub> emissions.

- These emissions need to peak in **2020**
- OECD nations and EU should end coal power use entirely by **2030**
- All major emitters must shut coal-fired power stations by **2040** and rest of the world by **2050** at the latest.

UN Secretary-General António Guterres: *“There must be no new coal, and all existing coal should be phased out by 2030 in OECD countries, and by 2040 elsewhere”.*

# ...and we need to move much faster



Note: TWh = terawatt-hours; g CO<sub>2</sub>/kWh = grammes of CO<sub>2</sub> per kilowatt-hour; CCUS = carbon capture, utilization and storage  
 'Other' includes bioenergy, geothermal, CSP and marine energy  
 Source: IEA

- A strong positive factor is the cost of renewable power falling rapidly. Since 2010, the cost of solar power has fallen by 85%, and that of wind power by 49%. [BNEF]. In the UK, the cost of offshore wind power has fallen by over 70% since 2012.
- But to meet the goals of the Paris Agreement, the global transition to clean power needs to progress four to six times faster than at present. [IEA and IRENA]

# The Powering Past Coal Alliance was formed to accelerate the transition from coal to clean energy

**The Powering Past Coal Alliance (PPCA) is a coalition of national and sub-national governments, utilities, financial institutions and others working to advance the transition from unabated coal power generation to clean energy.**

- Launched by the UK and Canadian governments at COP23 in 2017
- Growing its membership – now over 110 members from national governments, subnational governments and private sector organisations, committed to driving global coal phase-out efforts.
- One third of OECD total coal capacity is now scheduled to close by 2030, through retirement commitments and phase-out policies - PPCA members are driving this shift.

## National Governments (34)

Including UK, Canada, Costa Rica, Ethiopia, France, Germany, New Zealand, Senegal.

## Subnational Governments (35)

Including over 10 US states, Philippines, Australian subnationals.

Republic of Korea members: Gyeonggi, Incheon, Jeju, Seoul and South Chungcheong.

## Organisations (44)

Including Ørsted, Engie, Iberdrola, National Grid, Scottish Power, Unilever and 16 financial institutions.



# The PPCA Finance Principles express PPCA aims for financial institutions

The PPCA has published **Finance Principles**, which

- give clarity to the role of financial institutions in driving the transition from coal to clean energy
- help align finance with the Paris Agreement
- align with accounting and reporting of climate risk and complement TCFD responses.

## Financial Services

- No financial services (lending, underwriting, advisory, insurance) for new coal power plants, at a project or corporate level.
- No financial services for existing coal power plants, that would result in their operation beyond PPCA Timeframes, at a project or corporate level.

## Advocacy

- If already invested, advocate for a phase out plan for the coal plant or company holdings within PPCA Timeframes

## Investments

- Asset managers – offer products which exclude companies with coal power assets that do not have a phase out plan.
- Asset owners – select these products.

\*PPCA Phase Out Timeframes: 2030 for EU/OECD | 2050 at the latest for rest of world



# PPCA Finance Principles have had a strong impact since launch

The PPCA has welcomed **16 financial institution signatories** committed to the Principles to date, including:



**Official Partners** include: Ceres (N. America), IIGCC (Europe), LAPFF (UK), PRI (Global). Aligned with CA 100+, Investor Agenda.

