

# Chhattisgarh, Uttar Pradesh lead coal capacity expansion: Global Energy Monitor

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Updated On Apr 11, 2024 at 09:46 AM IST

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New Delhi: With Chhattisgarh, Uttar Pradesh leading coal capacity expansion, after what appeared to be a promising year for the beginning of a phase-down in 2022, new coal capacity additions and

a growing pipeline in 2023 indicate that coal may be on the rise again in India, said Global Energy Monitor's annual survey of the global coal fleet on Thursday.

In 2023, India brought online 5.5 GW of new coal-fired power plant capacity, more than double the 2.7 GW of new capacity added in 2022.

Chhattisgarh and Uttar Pradesh continue to lead the coal capacity expansion, with 7.9 and 5.6 GW of proposed capacity moving forward in 2023 in each state, respectively.

While Chhattisgarh holds the country's highest coal plant capacity of 26.7 GW, Uttar Pradesh could soon take the lead if all currently proposed and under-construction capacity were to be built.

Several other long-stalled or stranded projects were also flagged by the Central Electricity Authority in 2023 as "likely to be revived" between 2023 and 2031. And with no other operational units over 30 megawatt (MW) having retired in 2023, this marked an eight-year low for annual retirements of coal-fired generating capacity in India.

Data in the Global Coal Plant Tracker show that 69.5 GW of coal power capacity came online across the world while 21.1 GW was retired in 2023, resulting in a net annual increase of 48.4 GW for the year and a global total capacity of 2,130 GW. This is the highest net increase in operating coal capacity since 2016.

A surge in new coal plants coming online in China drove this increase -- 47.4 GW, or roughly two-thirds of global additions -- coupled with new capacity in Indonesia, India, Vietnam, Japan, Bangladesh, Pakistan, South Korea, Greece and Zimbabwe.

In total, 22.1 GW capacity came online, and 17.4 GW was retired outside of China, resulting in a 4.7 GW net increase to the operating coal fleet.

Lower retirements in the US and Europe contributed to the coal capacity upswing.

At 9.7 GW, the US contributed nearly half of the capacity retired in 2023, a drop from the 14.7 GW retired last year and its 21.7 GW record high in 2015.

European Union member states and Britain represented roughly a quarter of retirements, with Britain (3.1 GW), Italy (0.6 GW), and Poland (0.5 GW) leading the region's retirements for the year.

Flora Champenois, Coal Program Director for Global Energy Monitor, said, "Coal's ascendancy in India goes against market signals. New coal is expensive compared to solar and wind and comparable to solar and wind with storage. Project selection should be easy maths for the Indian banks and companies that are still emerging from massive stranded assets and bad loans stemming from expensive coal power plant projects."

Sunil Dahiya, South Asia Analyst at the Centre for Research on Energy and Clean Air (CREA) said, "If India achieves its renewable energy targets by 2030 and simultaneously activates its advanced-stage construction capacity, it will possess ample power generation capability to satisfy escalating demand."

"Any further investment in coal capacity could potentially initiate a subsequent wave of stranded asset formation within the power sector. Moreover, such investments would divert resources and funding from the trajectory of renewable energy expansion, effectively entrenching India's dependency on coal. This dependency not only contributes significantly to direct economic loss and climate change but also exacerbates local air pollution, resulting in thousands of premature deaths."