

# China's coal overcapacity crisis

China is currently building more coal power plants than it needs



**895 GW**

existing coal capacity\*  
used less than  
half of the time



**205 GW**

coal capacity  
under construction



**405 GW**

coal capacity  
planned

\*as of July 2016

Existing capacity fulfils  
power generation requirement  
**until 2050**

**Half a trillion US\$**  
could be wasted  
on coal plants under construction and planned

## Why is China's coal capacity at risk?

China's power demand growth is slowing down.

10% to 3% per year

In 2015 alone China built:

**2 coal plants**  
per week

**1 football pitch**  
of solar panels  
every hour

**1 large wind turbine**  
every hour

Power market reforms  
& national ETS  
can halve the gross profitability  
of the existing fleet.

Based on CTI '2020 reform scenario'

**\$US10**  
t/CO<sub>2</sub>  
carbon price

**15% fall in coal power tariffs**

**27 GW**  
cash-flow negative

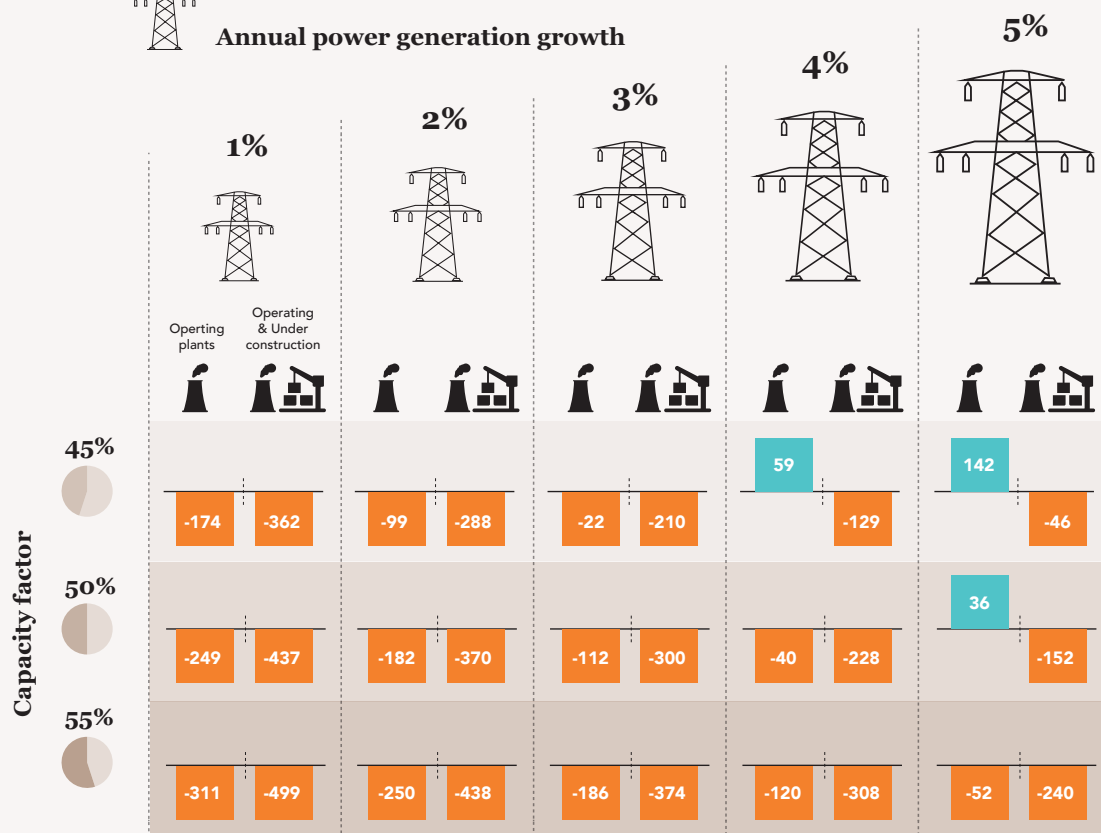
**140 GW**  
with gross profit of US\$5/MWh or less

895 GW

## 13th Five-Year Plan doesn't add up for coal generation



Annual power generation growth



GW Needed capacity GW Unneeded capacity

Additional capacity beyond existing plants is only required by 2020 if power generation growth exceeds 4% per year and coal plants are run at a capacity factor of 45% or less.