

Opinionista • David Hallowes • 28 May 2019

Standard greenwash: A coal-fired power plant spews carbon — no matter what the bank says

Talking about climate change, Standard Bank seems to be on its way to a new advertising slogan: Doing the right business the right way. Except it won't do that.

At its AGM on Wednesday, Standard Bank is fighting off a shareholder resolution that it disclose its exposure to climate risk — that is, how heavily it is invested in fossil fuel assets and, consequently, how much it might lose as the pressure to respond to climate change increases. Evidently, it would rather we didn't know.

Ahead of the AGM, Standard Bank made what was heralded to be a major statement on financing coal-fired power stations. The trumpet blast, however, was flat. The statement repeats the storyline that has been peddled by the World Coal Association ever since it was allowed to hijack the climate talks in Warsaw in 2013.

Standard Bank says that burning coal is a major driver of climate change, but it will remain central to improving “access to energy and energy security in many African countries”.

So it “supports the adoption of higher efficiency, lower-emission coal-fired power plants, and carbon capture and storage technologies (where possible) to reduce the environmental and social impact of coal-fired power generation”.

There are, indeed, several coal power stations proposed in Africa. We must presume that some are on Standard Bank's list of what its “next” will be.

Standard Bank gives three sets of criteria on what kind of coal power it will invest in.

- In really poor countries, it will invest in really dirty plants of up to 300MW capacity. Assuming normal functioning, these plants would emit at least 1.9 million tons of carbon dioxide a year;
- In other countries, it will invest in slightly less dirty “supercritical” plants of up to 500MW. A plant of that size would emit between 2.8 million and 3.2 million tons of CO₂ every year; and
- It will invest in ultra-supercritical plants of any size in any place. Assuming a 1,000 MW plant, it would emit up to 5.6 million tons of CO₂ a year – 224 million tons over 40 years. If construction started now, it would still be blowing carbon rings in the sky 30 years after all coal plants everywhere should be shut down.

Carbon capture and storage doesn't feature in the criteria. That's no doubt because it would cost too much to be possible anywhere. It has been tried on a power plant in Canada and it failed. Moreover, the storage bit was never really part of it. To pay for the exorbitant costs, the CO₂ was sold for "enhanced oil recovery": That is, it was pumped into an oil well to restore the pressure needed to extract more oil — along with a return flow of CO₂.

Standard says nothing about what else it will emit. So we don't know if "low emissions" applies to sulphur, nitrogen oxides and particulates. That's the stuff that kills people downwind and ruins their environments. Perhaps it is taken as a "trade-off". Poor people can get electricity in return for a few lives.

Except it's unlikely that poor people will have "access" to electricity. Coal-fired power stations are mostly built to supply the mines and industries that extract raw materials from Africa. The elites who preside over the extraction also get connected, but extending the wires into poor areas never makes for a "bankable" project. The poor get power only if they pirate it.

Standard Bank has made one step on the right path. It has confirmed that it will not fund Thabametsi and Khanyisa. These are the very dirty and costly coal independent power producers (IPPs) proposed for Lephalale and eMalahleni and given the okay by the departments of energy and environment.

On Standard Bank's criteria, they would pass muster in a very poor country, but they fail in South Africa. Standard Bank is the third of the four big banks to pull out. All eyes are now on Absa. Will it stay in as the really dirty bank?

But we should also watch for these plants being given a technical upgrade to meet Standard Bank's standard for greenwash. However hyper-ultra-super-duper-critical the coal-fired power plant, it will still emit carbon dioxide in proportion to the coal burnt. **DM**