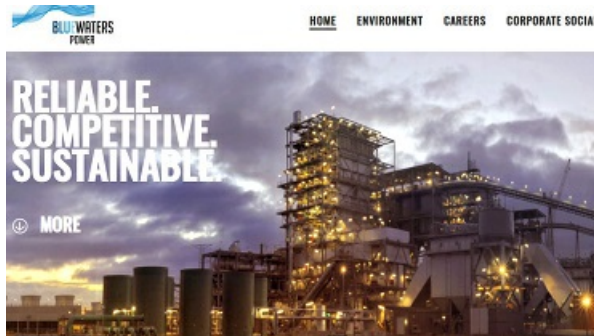


Financial oligarchy cuts finance for coal

Recent moves to bring forward the closure of Australian coal-fired power stations arise from the “net-zero emissions” agenda of the Anglo-American financial oligarchy, led by Mark Carney, the UN Special Envoy on Climate Action and Finance. The top-down agenda is to deny finance to specific economic activities, and coal is a major target. In December 2015, as Chair of the Bank for International Settlements’ Financial Stability Board, Carney created the Task Force on Climate-related Financial Disclosures (TCFD) which demands companies worldwide disclose “climate-related financial risks”. This financial power has prompted an energy transition, such as EnergyAustralia’s decision to close the Yallourn power station in Victoria’s Latrobe Valley in mid-2028, four years ahead of schedule, and build a giant battery instead.



This 12-year old coal plant, Bluewaters in Collie, WA, is one of many that is being forced to shut down by denial of finance. Photo: Screenshot

The world’s largest fund manager, BlackRock, with US\$8.7 trillion in assets under management, was an early participant of the TCFD. And BlackRock is leading the push to cut finance for coal-fired power. Last year it supported a shareholder push for AGL to bring forward closures of its coal-fired power stations in support of the UN’s Paris Agreement on climate change. In a 2021 open letter to company CEOs, BlackRock’s billionaire chief Larry Fink laid out demands to lock businesses into a “net zero” transition. “No issue ranks higher than climate change on our clients’ lists of priorities”, Fink said. He added, **“we are asking companies to disclose a plan for how their business model will be compatible with a net zero economy—** that is, one where global warming is limited to well below 2 °C, consistent with a global aspiration of net zero greenhouse gas emissions by 2050. **We are asking you to disclose how this plan is incorporated into your long-term strategy and reviewed by your board of directors.”** (Bold emphasis in original.)

According to the United Nations Environment Program (UNEP) “we face a global climate emergency” and need to “find solutions for a carbon-free world”. One such “solution” is found in the finance sector. Established in September 2019 at the UN Secretary General’s Climate Action Summit, the Net-Zero Asset Owner Alliance (AOA) now comprises 34 of the world’s largest institutional investors, with US\$5.5 trillion assets under management. The Alliance is convened by the UNEP’s Finance Initiative and the Principles for Responsible Investment, and supported by WWF and Global Optimism.

AOA’s 2020 report, [“Sectoral Pathways to Net Zero Emissions”](#), states that “renewables will provide 100 per cent of the total heat demand in 2050” and specifically excludes nuclear power. AOA also attacks hydropower, the most reliable and economic “renewable” along with other power options. Under the headline “Energy Scenario Narratives and Assumptions for the World”, AOA states: “those options with large uncertainties in terms of the technical, economic, societal, and environmental risks, such as large hydro and nuclear power plants, unsustainable biomass use, carbon capture and storage (CCS), and geo-engineering, are not considered on the supply side as mitigation measures or—in the case of hydro power—are not expanded in the future”.

On 1 February, UN Secretary-General António Guterres [described the AOA as a “gold standard”](#) for its “net-zero carbon” commitments. “Our simple objective for 2021 is to make sure that we are able to build a truly global coalition for carbon neutrality by 2050”, he said at a recent meeting with CEOs of some of the world’s largest asset owners. Guterres endorsed AOA’s drive to double membership within the coming months and emphasised expanding into Asian countries with governments that have committed to carbon neutrality.

Deadly consequences

A 64-page report, [‘CO2 Reduction’ Is a Mass Murder Policy Designed by Wall Street and the City of London](#) by EIR News Service, best describes the actual intention behind the TCFD and AOA. If emissions reduction were the issue, the AOA would not dismiss nuclear and hydro power which provide low-cost reliable power. The financial oligarchy would sooner finance intermittent wind and solar power and expensive batteries, and ensure a controlled disintegration of the world economy.

AGL is set to close its 2,000-megawatt (MW) Liddell Power Station in New South Wales by April 2023. Combined with the fast-tracked Yallourn Power Station closure in 2028, Australia is being set up for

failure. On 4 March research firm Fitch Solutions warned of the energy transition danger: “We now expect coal generation to contract by an annual average of 1.2 per cent between 2021 and 2030, with *significant downside risks*.” (Emphasis added.) Fitch added “that there is a high risk of early plant closures that could reduce capacity further than our original expectations”. Add in an aggressive “zero net carbon” drive from the TCFD and AOA and the outcome would be catastrophic.

In Western Australia, IFM Investors declined a potential refinancing deal with Bluewaters coal-fired power station at Collie. This comes just nine years after Sumitomo, in a joint venture with fellow Japanese firm Kansai, bought the 434- MW Bluewaters power station for a reported \$1.2 billion. Sumitomo has written down its asset value in Bluewaters to zero and [according to Daniel Mercer](#) in a 17 December 2020 ABC news report, Kansai is believed to have made similar accounting adjustments. This denial of finance has effectively wiped out a \$1.2 billion investment, the price the Japanese owners of the station paid just nine years ago. This is not an aging power station—commissioned in 2009, it is Australia’s newest!

In denying finance to support reliable energy, private interests are dictating to governments. Energy security should not be left to private financial interests which diminishes democratic accountability in our elected leaders. Government must step in and end the financial oligarchy’s agenda to destroy our economy. Minimally, construction must commence immediately for replacement baseload power stations, preferably nuclear-powered.

By Jeremy Beck, Australian Alert Service, 17 March 2021

Printed from <http://citizensparty.org.au/print/pdf/node/934>, on 27 Apr 2024 at 09:04 am