

## Markets

# China's Far From Done With Coal as Regulator Eases New Plant Ban

Bloomberg News

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- ▶ 11 provinces and regions allowed to build coal plants again
- ▶ New plants still barred in 10 regions seen having overcapacity



Transport trucks transfer raw coal in pits in Changji Hui Autonomous Prefecture, China. *Photographer: China News Service/Visual China Group*

## In this article

XW1  
**Generic 1st 'XW' Future**  
 88.00 USD/MT  
 ▼ -1.00 -1.12%

601001  
**DATONG COAL IN-A**  
 5.70 CNY  
 ▲ +0.52 +10.04%

NG1  
**Generic 1st 'NG' Future**  
 2.49 USD/MMBtu  
 ▼ -0.03 -1.07%

China allowed 11 provinces and regions to resume building coal power plants, in another sign that the world's largest energy user is far from finished with the most-polluting fossil fuel.

The National Energy Administration forecast that only 10 provinces and regions would have an excess of coal-fired electricity generation capacity in 2022, down from last year's outlook for a glut in 21 areas by 2021. That means 11 areas can start building plants again, as the overcapacity label had suspended construction of new projects until the issue was addressed.

The decision underscores how dependent on coal the world's second-largest economy still is, even as it invests hundreds of billions of dollars in

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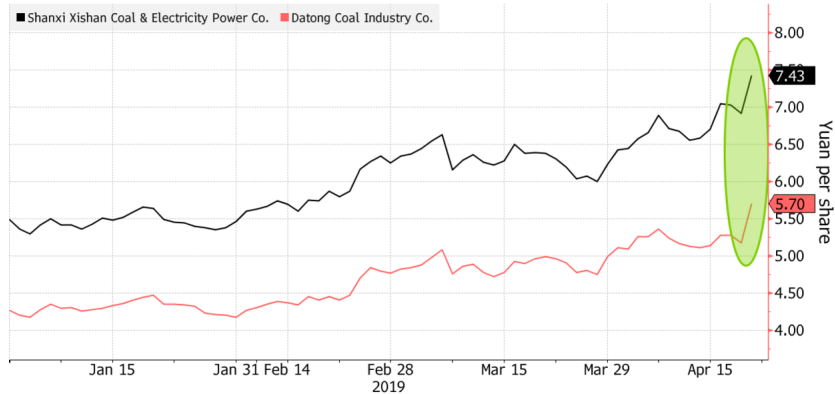
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cleaner energy sources such as natural gas, wind turbines and solar panels. While coal's share of China's total energy consumption fell to 59 percent last year, the growth in the country's total energy consumption meant burning of the dirty fossil fuel actually increased by 1 percent.

### Hot Coals

China coal mining stocks jumped as restrictions against new plants were eased



Source: Bloomberg

Shares of Chinese coal miners jumped on Friday's news. Datong Coal Industry Co. rose as much as 10 percent, the most in 21 months. Shanxi Xishan Coal & Electricity Power Co. gained as much as 9 percent, the biggest intraday advance since December 2017.



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Areas freed up for new coal power plant construction include Hebei, Qinghai, Chongqing, Guangxi, Guangdong, Yunnan, Guizhou and Henan, according to the NEA. The facilities aren't allowed to produce heat for residential customers, but can serve large industrial users.

– With assistance by Feifei Shen, and Dan Murtaugh