

# INSIGHTS

## For the Mainstream Investor

WEEK ENDING OCTOBER 5, 2018 EDITION 264



### COAL PLANT DEVELOPERS

*Full exposure*

Many might think it is not the case, but coal power capacity is continuing to increase globally. Currently there are 1,380 **new coal plants** planned or under development in 59 countries.

**Urgewald** argues that if these power plants were all built, they would add 672,124 MW of new coal generation, an increase of one-third. To combat this expansion, close to 30 NGOs 'have released the names and project details of the top 120 companies which account for 68% of the global coal plant pipeline'.

China dominates the list, accounting for nearly one-fifth of the companies on the list. The largest coal plant developer is China National Energy Investment Group (NEI), which aims to build nearly 38,000 MW of capacity, followed by the China Huadian. Corporation. Of the 59 countries with coal plant construction plans, 16 have no coal-fired plants at all and 11 have only 600 MW or less. The full list can be viewed [here](#).

### ACCOUNTING FOR ESG

*Sticking to the narrative*

The International Accounting Standards Board (**IASB**) is being encouraged to provide rules for ESG and sustainability disclosures. CalPERS has been leading the charge for the IASB to examine 'wider corporate reporting' and to provide clarity over the 'profusion of experiments' in this field.

However, back in April the IASB chairman **made it clear** that developing mandatory sustainability reporting standards was not part of the debate. The IASB has had a consultative group examining the issue of 'non-financial information' but **prefers** to 'strengthen the relevance of financial reporting itself'.

Meanwhile the **IAASB** is examining 'emerging forms of external reporting' (**EER**). This covers 'entities that increasingly provide non-financial information that goes beyond the traditional (financial statement) focus'. The IAASB consultative body is examining ways 'to develop new non-authoritative guidance to address key challenges'. Both bodies seem reluctant to move away from strict financial reporting.

### THIS WEEK IN NUMBERS

80,000  
plus Americans died of flu in the winter of 2017-18 with 90% being people aged over 65 years old

126  
years is the length of time it has taken GE to name an outsider as the new CEO

50  
percent of river organisms have ingested microplastics following a research study in South Wales

40  
percent of Europeans claim that their next car will be an electric one, according to an Ipsos Mori poll

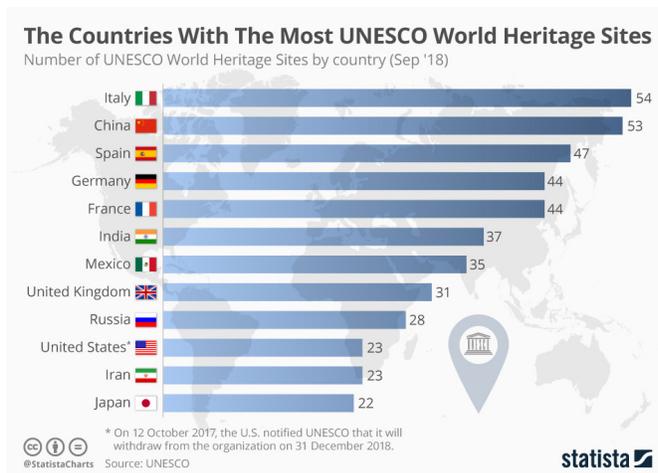
20  
million US\$ fine is to be paid by Elon Musk, the Chair of Tesla, to settle a lawsuit from the SEC

15  
US\$ an hour is the new minimum wage for Amazon employees in the US

8  
corporate officials at six companies have had penalties and charges announced by the SEC in the last week

3  
rd woman to win the Nobel Prize for Physics has been awarded to Donna Strickland, the first female for 55 years

### INFOGRAPHIC OF THE WEEK



Source: Statista

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### TECH COMPANIES

#### *Leading the renewable charge*

US tech companies may be under attack over privacy rules, but they are leaders in renewable power. Bloomberg NEF has [tracked](#) the renewable power contracts that private companies and governments in the US have signed since 2010. The analysis shows that tech companies account for 47% of all the capacity purchased.

Next in the ranking are government and universities with 13%. Initially the tech companies were purchasing contracts from wind generators but more recently solar has taken the lead. Bloomberg NEF believe that 'since 2010, tech companies' demand has induced more than \$15 billion in wind and solar investment just in the US'. It will be interesting to see whether other industries ride on tech's coat-tails as their energy investments help to drive down the cost of renewables for others.

### HELLO AGAIN

The Wondiwoi [tree kangaroo](#), which was last seen in 1928 and thought to be extinct, has been photographed in remote forests of New Guinea in Indonesian territory. They live in the tree canopy but are close relatives to ground-dwelling kangaroos and wallabies. In total, there are believed to 17 species and sub-species.

### A WARNING, THANK GOODNESS

An early warning earthquake system for the West Coast of the US is nearing its roll-out to the public. Developed by the US Geological Survey and other state and university partners over 12 years, the [ShakeAlert](#) system of 860 seismometers will warn citizens sooner than ever before. A detection of a movement of 5.0 or more will be send a message to FEMA in 5 seconds for onward broadcast in 3 to 7 seconds. Subways and railways in Los Angeles will also shut down on notification of a major tremor.

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### SOLAR ENGINEERING

#### *Sending it back*

[Solar engineering](#) has been used to describe two main types of technology – photovoltaic (light to power) and thermal (heat to power). However, technology that reflects the sun's rays away from Earth are becoming more real. As it does, some are calling for rules to be established for these cooling techniques. Such cooling processes include spraying particles in the upper atmosphere, as happens with volcanic eruptions, to artificially brightening clouds.

These processes are also known as albedo modification. In this instance, all clouds may not have a silver lining. For example, would such processes dissuade countries from limiting their emissions? Therefore a policy on [solar radiation management](#) is proposed by the [Forum for Climate Engineering Assessment](#). The report recommends twelve near-term recommendations to assist with governance ranging from establishing a World Commission on SRM to developing best practices for risk and impact assessments.

### GIVE IT A CHANCE

The [tobacco](#) industry rarely wins support from public health bodies. However, a number of them along with anti-tobacco campaigners have urged the WHO director general to give vaping a chance. It argues that obtaining nicotine through products that do not burn tobacco, is less dangerous than smoking.

### BE WARNED

The Chinese Ministry of Ecology and Environment have warned the country's heavy industries to stay compliant with tougher [anti-smog regulations](#). Although production cuts in northern China were relaxed, allowing local authorities to adopt flexible measures, a warning to all heavy industry followed within days. The Government is hoping to reduce PM2.5 readings by 3% this winter.

### READING LIST

*Why The C-Suite Should Take The Lead On Tackling The Impact of Climate Change* [Zurich](#)

*FTSE 350 focusing increasingly on non-financial matters according to Deloitte* [Accountancy Age](#)

*Responsible Investing: Canadian Institutional Views in a Global context* [RBC](#)



### WATCHING LIST

*Persistence is key to success in gender diversity initiatives* [CNNMoney Switzerland](#)

### LISTENING LIST



*Electric Dreams – Costing the Earth* [BBC](#)

*Why integrated reports are superior to GAAP from an investor point of view* [CFA Institute](#) 15 minute view

*Bill Gates on Africa – Business Daily* [BBC](#)

### BELIEVE IT OR NOT

Should we just let nature control flooding? In the UK, beavers are being moved to rivers to see if their dam building will reduce flooding. [READ MORE](#)