

Power generation

CO₂ emissions

Each industry is different, but they're all dealing with climate change. What's happening in the power generation sector and how is ING supporting the low-carbon transition? Check it out.



In 2019, 41% of all energy-related CO₂ emissions came from the power generation sector.



Emissions did decrease slightly in 2019, and renewable power generation has shown two decades of growth.



Still, the sector is not globally on track to align with Paris goals. ING's power generation portfolio in scope is €7.5 billion.

The trends



Recent decades have shown a steady increase of projects like solar rooftops and offshore windfarms. The market for renewable power production needs to keep growing.



One challenge for banks could be the growing trend for green power projects to be funded by governments, or non-bank sources for smaller projects.



This restricts the funding opportunities available for banks.

The pandemic



The pandemic is having a mixed effect. On the one hand, it helped contribute to an increase in the relative share of renewables in the power sector to a record 40% in 2020.



On the other hand, it was expected to cause a 10% decline in overall power investments in 2020, a stark reversal from the 2% growth expected earlier.



Regardless, we see many opportunities in the power sector to help society build back better in the years ahead.

The status



ING's power generation portfolio continues to outperform both the market and the scenarios.



This is largely because we have a continuous focus on renewable energy financing, with 55% of our portfolio made up of low-carbon power generation.



We also continue to further reduce our coal power generation financing in line with our commitment to reduce it to close to zero by the end of 2025.

The plan



The Terra insights enable us to track our progress and support clients as they transition, while making strategic choices in our own capital allocation.



In order to further align with our set pathway and portfolio target, our strategy will continue to focus on the two main drivers:



1. continued strong support of renewable energy financing, and
2. reducing our exposure to coal-fired power generation.