

Japan's Dangerous Distractions: Gas & LNG

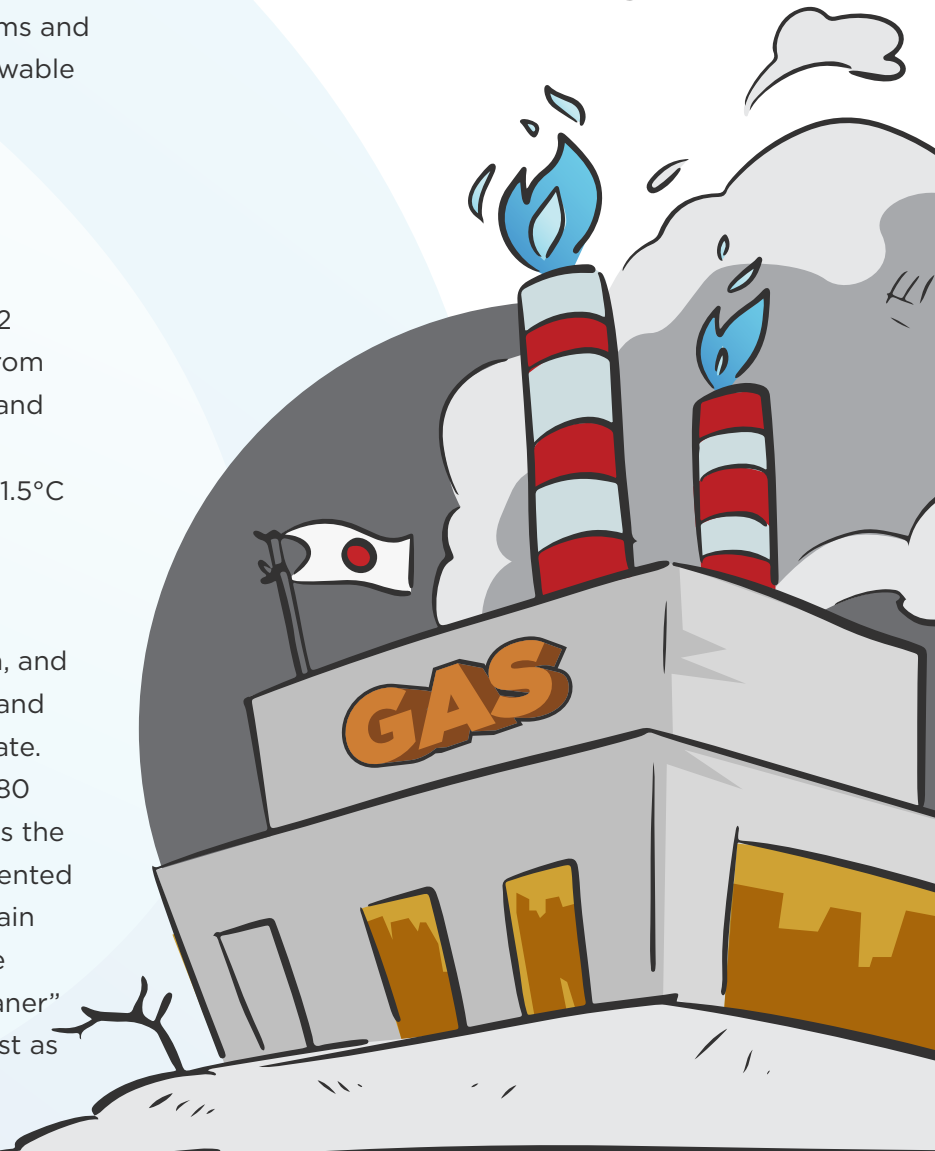
Japan is pushing governments in Asia to build new fossil gas projects under the guise of development and transition to clean energy. Japan is the world's largest provider of public finance for gas projects and liquefied gas (LNG) import and export terminals. Fossil gas worsens the climate crisis, harms communities and ecosystems, and wastes precious time and resources. Gas is dirty, risky, and expensive.

Japan is driving fossil gas expansion to benefit Japanese corporate interests over the health and safety of our communities and our planet. New gas and LNG developments threaten to lock Asia into expensive and polluting energy systems and worsen debt burdens at a time when renewable energy is cheaper and available.

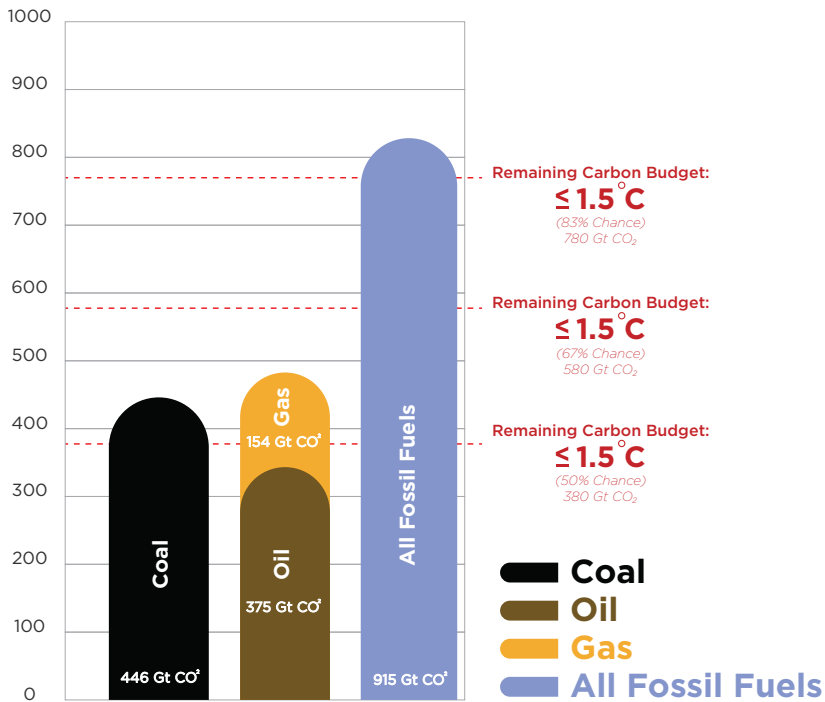
Gas is dirty

Fossil gas combustion is responsible for 22 percent of all greenhouse gas emissions from the burning of fossil fuels. New gas fields and expanded gas consumption in Asia are incompatible with maintaining the crucial 1.5°C climate goal which is a tipping point for frontline communities everywhere.

The emissions from extraction, production, and transport of fossil gas are also significant and make gas projects dangerous for the climate. Methane – a climate super-pollutant over 80 times more potent than carbon dioxide – is the main ingredient of fossil gas. Methane is vented and leaked along the entire gas supply chain and continues to reach record levels in the atmosphere. While gas is touted as a “cleaner” alternative to coal, in reality, gas can be just as polluting or worse.



Emissions from currently producing oil, gas and coal projects would take us beyond 1.5°C of warming.



Fossil fuels in developed fields and mines by type (actively producing or under construction)

Source: Oil Change International analysis of Rystad Energy data (2023) (oil and gas); Trout and Muttitt et al (2022) (coal); Intergovernmental Panel on Climate Change (2021) and Global Carbon Project (2022) (carbon budgets).

According to experts, the primary path to decarbonize all energy sectors is electrification. This means all fossil fuels – including gas – must be phased out. Building gas power plants instead of coal plants will not cut emissions enough.



Gas is expensive

Fossil fuel companies and their enablers are pushing to develop USD 385 billion of gas terminals, pipelines, and power plants in Asia. Two-thirds of new LNG import terminals under development globally are in Asia.

Meanwhile, renewable energy is cheap and getting cheaper. Solar is already the cheapest new source of energy in China, India, Thailand, and Vietnam. Renewables will become the cheapest way to supply electricity across Asia before 2030.

The cost of wind and solar power generation has fallen dramatically in the past decade. Solar or onshore wind is now the cheapest source of new power supply in countries that account for more than two-thirds of the global population and 91 percent of global power generation.

Across Asia, electricity will be cheaper from a new utility-scale solar or wind plant than from a new gas combined cycle plant within the next five years.

\$385 billion





DEBT

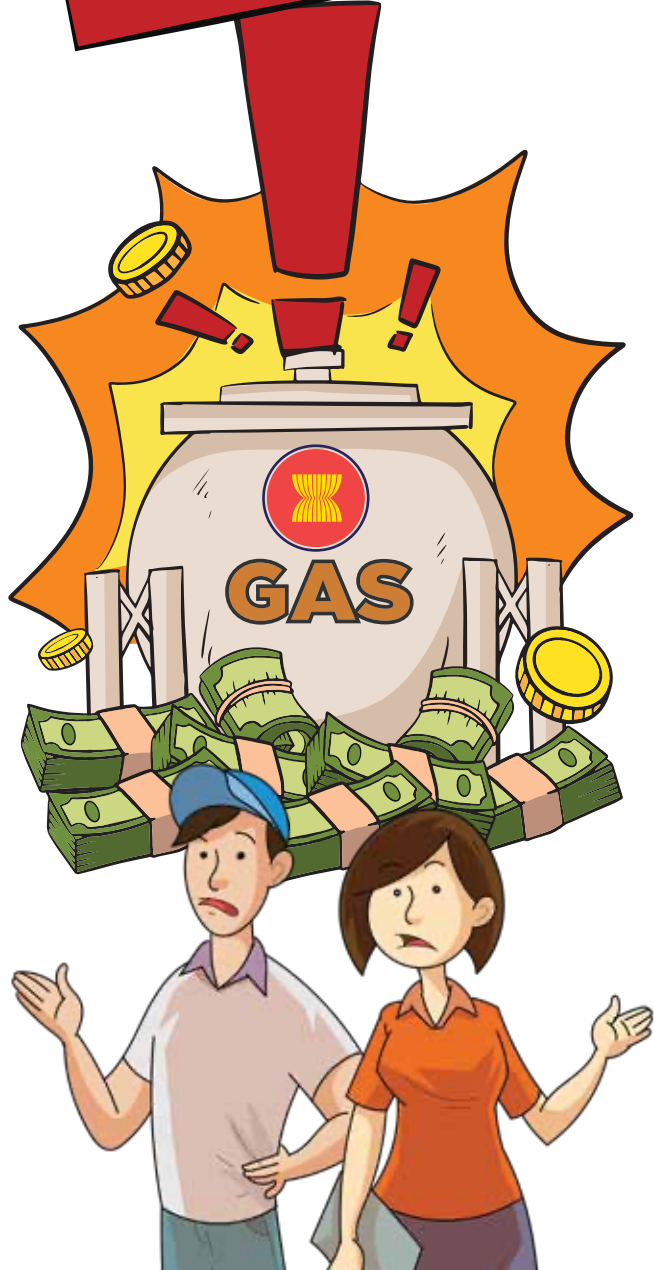
Gas is risky

Gas infrastructure projects cost hundreds of millions of dollars. To get financing to build LNG export terminals, LNG companies must sign long-term contracts to sell the majority of a project's capacity. These contracts often require power companies to purchase a specified amount of LNG annually for 20 years or more. Many of these contracts require buyers to pay for gas regardless of whether they use it or not.

Prices in LNG contracts are often linked to regional gas prices at the supply end and expose customers to global supply and demand dynamics. Spikes in gas prices in recent years exposed the volatility of the LNG trade and highlighted the risk of committing to gas as a long-term energy source. Once installed, renewable energy is not susceptible to these same dynamics.

Contract costs are often passed onto electricity customers via utility companies as capacity payments, power purchasing agreements, or other arrangements negotiated with government regulators. When power plants are underused, consumers and taxpayers are burdened with the cost.

Locking in gas for decades to come is risky as governments and institutions move to restrict fossil fuels and spur the development of renewable energy and frontline groups opposed to fossil fuel projects stall their development.



Spending hundreds of billions of dollars on new gas infrastructure is dirty, risky, and expensive. Governments and companies must stop prioritizing short-term corporate profits over the health and well-being of our people and planet.

Resources:

Oil Change International, [Asia Gas Factsheets](#)



Or scan this QR code:



For more information, please visit:
<https://fossilfreejapan.org/>