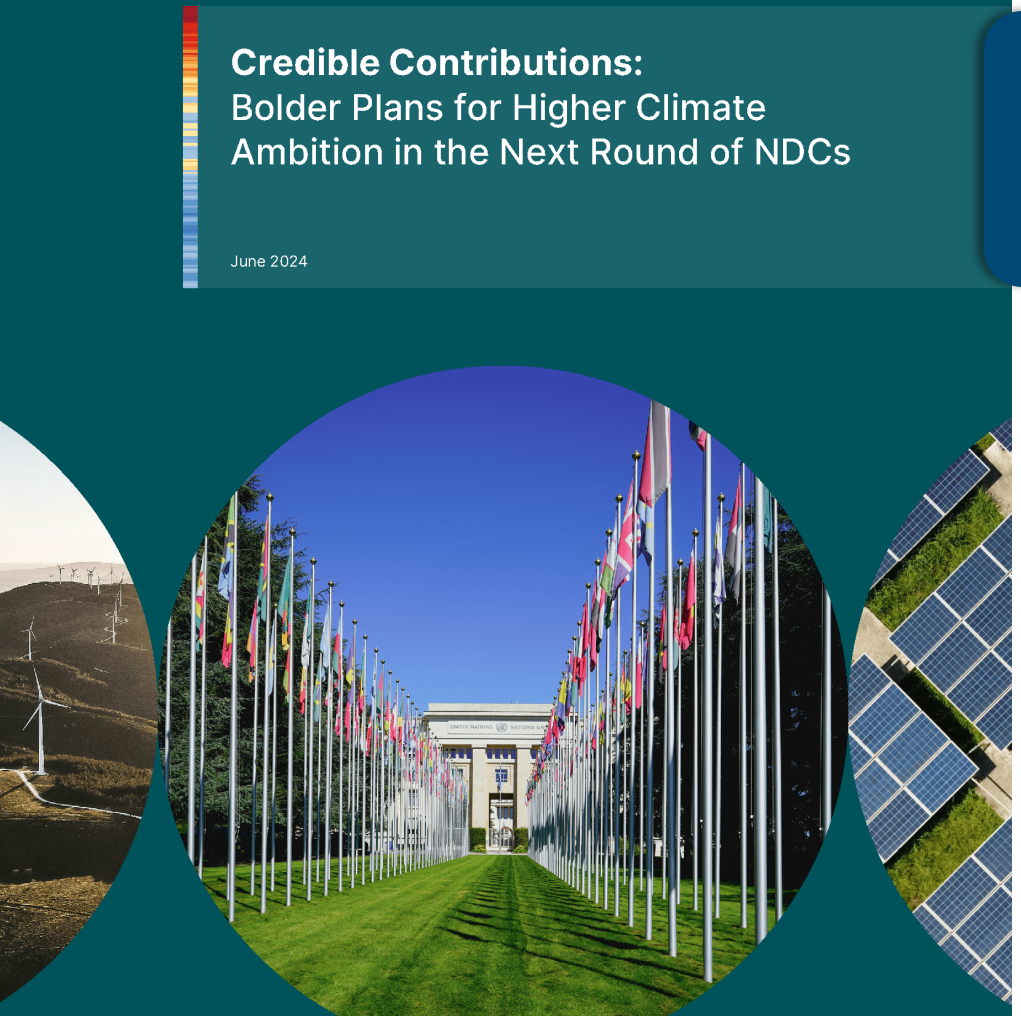
Energy Transitions Commission

Connecting Regions: round-up of the ETC Programmes across the globe

ETC Representatives Meeting

19th September 2024

Credible Contributions: Bolder Plans for Higher Climate Ambition in the Next Round of NDCs (2024)



In its latest Insights Briefing highlights the ETC calls for industry and government collaboration to raise the ambition of the next round of Nationally Determined Contributions (NDCs) by COP30

Key points:

- **Ambition:** Clear and detailed roadmaps for implementation of accelerated climate action backed by strong government policy (e.g., quantitative targets for GW of renewables, phase out dates for bans on the sale of gasoline or diesel engine vehicles).
- **Format:** Measurable, comprehensive (covering all sectors and GHGs) and granular targets for emissions reductions.
- **Investment:** Investable plans, especially for emerging markets, clearly stating the investment and international climate finance required to deliver stated targets.
- This briefing shows that if governments reflect existing policy commitments and the latest technological progress in the next round of NDCs, overall ambition could almost triple.

Current look at countries and their path to Net Zero (1 of 2)

Country	NDC 2.0 (2030)	ETC Review of NDC	Big Issues	Key Decisions
China	Peak emissions by 2030 (25% above 2010 levels, incl. LULUCF) **Net Zero by 2060**	Ambition: Inadequate ambition but **will overdeliver**: peak likely in mid-2020s Format: Poor, could be improved with absolute targets, sector/GHG specific targets, and Article 6 mechanisms	Massive RE roll out but **still building coal**; huge progress on EVs. Some targets (but limited progress) on harder to abate.	How far will 2035 NDC adjust to rapid progress in power and EVs? How to extend progress beyond these sectors?
EU	55% reduction by 2030 (on 1990 levels, incl. LULUCF) **Net Zero 2050**	Ambition: **Could go further by 2030** Format: Clear, could be improved with sector/GHG specific targets	Can barriers be removed and **deployment accelerated** maintaining societal acceptance?	Will proposed 90% reduction target by 2040 be accepted?
US	50-52% reduction by 2030 (on 2005 levels, incl. LULUCF) **Net Zero 2050**	Ambition: Relatively ambitious but **actual pace is lagging** Format: Clear, could be improved with sector/GHG specific targets	Lots of action on renewables supply side under IRA, but slowing EV sales	Will the US ever commit to **supply side constraints on fossil fuels?**
India	Emissions intensity of 45% below 2005 levels by 2030 (= 2x emissions from 2010, excl. LULUCF) **Net Zero 2070**	Ambition: Near term targets **likely achievable?** Format: Poor, could be improved with absolute targets, sector/GHG specific targets, and Article 6 mechanisms	Strong power demand growth not yet fully being matched by renewables	Will India put an end date on new coal additions or require **plans for phasing out coal**?

Current look at countries and their path to Net Zero (2 of 2)

Country	NDC 2.0 (2030)	ETC Review of NDC	Big Issues	Key Decisions
Japan	36% reduction by 2030 (on 1990 levels, incl. LULUCF) **Net Zero 2050**	Ambition: Insufficient Format: Poor	**Slow progress** on many areas of the transition – continues to pursue e.g. ammonia co-firing when renewables more viable	How to accelerate Japanese sectoral action in line with pace required for 2050 target?
Australia	6% reduction by 2030 (on 1990 levels, incl. LULUCF) **Net Zero 2050**	Ambition: Reasonable but could be strengthened, especially financing Format: Poor	**Rapid roll-out of renewables** but continued (though declining) use of coal for power How to decarbonize heavy industry in line with ETI 2023 roadmap	Will they implement short-term targets to **accelerate move away from coal?** How to deliver target of 80% renewable power by 2030?
Canada	18-37% reduction by 2030 (on 1990 levels, excl. LULUCF) **Net Zero 2050**	Ambition: Reasonable but could be strengthened Format: Average	How to **progress further** beyond already clean power sector?	Big political debates on **fossil fuel production and carbon pricing**
Indonesia	135% increase by 2030 (on 2010 levels, excl. LULUCF) **Net Zero by 2060**	Ambition: Critically insufficient Format: Incomplete	Massive solar potential but NDC and plans hardly reflect this	**Will they consider moving away from coal?**
Brazil	15% reduction by 2030 (on 2010 levels, excl. LULUCF) **Net Zero 2050**	Ambition: Reasonable Format: Poor	NDC very strongly focussed on **bioenergy and removal offsets**	As COP host – will new NDC live up to expectations on format and ambition?

2024 seen as the year of the election, which could swing climate policy: mixed results thus far, with US election still to come

National elections	Date	Impact	Details
Indonesia President, Parliament	Feb	Peripheral	• Prabowo likely to continue Jokowi's climate policies • Faces **challenges balancing coal dependency** with sustainable energy • Does offer a new opportunity for organizations to engage with a new government
Korea Legislative	Apr	Positive	• Opposition party, Democratic Party, won with party favoring phase out of coal by 2040 • Aims to increase share of **renewable energy to 40% in 2035** by passing something similar to IRA
India General election	Apr – Jun	Peripheral	• The Modi-led government has been seen as a **climate leader comparing to other parties** • It also faces **criticism for its coal expansion and ties to fossil fuels** • Climate issues are **historically peripheral**, but they are **becoming more central** in political discourse
Mexico President, Senate, Chamber of Deputies	Jun	Unclear	• The new president Sheinbaum has a climate scientist background • Support **solar energy** and **electrified public transport** • Faced criticism for **limited environmental improvements** when she was Mexico City mayor
European Union European Parliament	Jun	Unclear	• Centrist parties continue to hold a majority in the new European parliament, von der Lyen remains • The **stronger presence of right-wing parties** could make ambitious new climate policies **harder to pass**
France National Assembly	Jul	Unclear	• Green parties suffered losses in France, **far-right parties** have made big gains • Macron has kept his seat with the nation rebuking far-right presidential candidate
United Kingdom House of Commons	Jul	Positive	• Labour party aim to "**restore strong global leadership**" • Proposed a new "**Clean Power Alliance**" to unite countries leading in climate action
United States President, Senate, House of Representatives	Nov	Unclear	• US climate and energy policies have seen significant developments, including the passage of the IRA • Renewable sources surpassing coal and nuclear power in electricity generation in 2022 – signal **a shift toward decarbonisation** • The **pace and depth of decarbonization** depend on the 2024 presidential election outcomes

Source: Climate Action Tracker (2024), *USA*; Euro News (2024), *The UK election and climate change: Where do political parties stand on 6 key issues?*; Carbon Brief (2024), *Experts: What do the European elections mean for EU climate action?*; Carbon Brief (2024), *India election 2024: What the manifestos say on energy and climate change*; Climate Scorecard (2024), *Indonesia's President-Elect Has a Good Climate Policy, but Will He Implement It?*; The Guardian (2024), *Mexico's new president ran on climate goals. Will she follow through?*

In Europe, far-right parties continue to gain voters with backlash to environmental policies

The Washington Post

How car bans and heat pump rules drive voters to the far right

Studies show that as energy prices rise, so do right-wing movements against green policies

1 May 2024

Euractiv

Heat pump sales collapse leaves new EU Commission with tough task

Amid a Europe-wide slump in 2023 heat pump sales, the industry's outlook is bleak – putting pressure on the next European Commission to...

1 month ago

The New York Times

Battery Maker Northvolt to Cut Costs as E.V. Demand Slumps in Europe

The Swedish battery manufacturer said it would eliminate jobs and seek partnerships as it grappled with competition from China.

2 days ago

Financial Times

EU backs down on agricultural emissions after farmers' protests

Reference to a 30% cut in nitrogen and methane gases by 2040 removed from proposed road map.

5 Feb 2024

North America facing similar hurdles in the US and Canada

The Guardian

Trump vows to ‘drill, baby, drill’ despite rally attendees wilting in extreme heat

Dozens of Donald Trump's supporters have been requiring medical help at his rallies in the scorching US south-west but it seems lost on him that...

10 Jun 2024

Financial Times

Trump would be ‘devastating’ for offshore wind, warns Massachusetts governor

Massachusetts governor: Trump would be 'devastating' for US offshore wind. A Donald Trump presidential victory in November would be “devastating” for US...

27 Jun 2024

Forbes

Why Kamala Harris Won’t Ban Fracking

During a heated presidential debate on Tuesday night, former President Donald Trump repeatedly claimed that Vice President Kamala Harris would ban hydraulic...

1 day ago

While a second Trump presidency would be significantly worse for the energy transition, neither party has plans to implement supply side constraints on fossil fuels

France 24

Canada's Trudeau on back foot over carbon tax

Polluters should pay up, Canadian Prime Minister Justin Trudeau insists. But pressure is mounting to scrap his signature climate policy,...

30 Mar 2024

CBC

The carbon tax has plagued the Liberals politically. Research says that's not surprising

It was supposed to do the heavy lifting for Canada's greenhouse gas emissions targets. And it was supposed to remain a major part of Prime...

1 Jun 2024

Clean Energy Canada

Canada is undergoing a fragmented clean energy transition with radically different levels of provincial effort: report

Canada is experiencing a heavily fragmented energy transition with consequences for household affordability and economic development, finds a new Clean Energy...

30 May 2024

While Trudeau survived the special election in June, it opened the door for conservatives to axe the carbon tax; next year’s election currently favors conservatives

Responding to myths and misinformation

Key messages building on past work

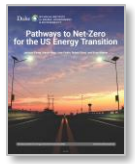
- There are enough minerals and resources to support a deeply electrified economy
- EVs can, are and will be cheaper than ICEs
- Heat pumps work in cold climates (e.g., Norway) and without perfect insulation
- Offshore wind is course correcting after its short-term setback
- The grid balance problem can be solved
- Energy security more easily achieved by reducing dependence on fossil fuels

2025 ETC work to assess transition costs

- Estimate overall global costs of the transition: less than 1% of global GDP
- Understand specific distributional effects
  - Heat pump costs for lower income households with high financing costs
  - EV operating costs for households without at-home charging infrastructure
  - Job losses in specific regions, industries, or skills
- **Define policies to address specific adverse consequences**

Otherwise, we leave fertile ground for myths and misinformation

Overview of ETC's regional network

Est.	2017	2018	2018	2019	2020	2021	2021	2022	2023	2024
Knowledge Partner(s)	teri, RMI	Energy Foundation 能源基金会, Tsinghua University, RMI	Systemiq, European Climate Foundation	Mission Possible Partnership, Climateworks Centre	Duke Nicholas Institute for Energy, Environment & Sustainability, World Resources Institute, RMI	The Transition Accelerator	東京大学未来ビジョン研究センター Institute for Future Initiatives The University of Tokyo	World Resources Institute	IESR Institute for Essential Services Reform	Systemiq
Initiative	Energy Transitions India		Energy Transitions Commission	Australian Industry Energy Transitions Initiative	Energy Pathways USA	Electrifying Canada, An initiative of the Transition Accelerator	Center for Global Commons	African Energy Dialogues		
Insights									In-progress	In-progress

In Brazil, with 3 distinct yet parallel decarbonisation strategies currently unfolding, the ETC hopes to bridge the gaps

Past decarbonization pathways

- **Civil societies in Brazil** past efforts to develop ambitious and comprehensive pathways, done through industry consultations to establish assumptions
- **Heavy reliance on biofuels and removals** rather than "innovative technologies" commonly used for ROW pathways

Ecological Transition Plan (ETP)

- **Ministry of Finance** attempt to steer economy toward sustainable model and promote biodiversity
- Consultations with industry stakeholders to capture and formalize existing sectoral decarbonization plans
- **Ministry of Industry** crafting separate **Industry Decarbonization Plan** to align the latest industrialization strategy for Brazil with the ETP

Enhanced NDCs

- **Ministry of the Environment** working with COPPE using their Brazilian Land Use and Energy System (BLUES) model
- New scenario leveraging past scenarios (CEBRI 2022 study) for assumptions going into land-use model
- The urgency of the timeline has allowed only a limited window for these assumptions to be shared, discussed, and refined with the broader spectrum of Brazilian industry and civil society stakeholders

ETI Brazil to address the gap between these efforts

ETC Brazil effort will revisit 5 crucial areas

- The role of bioresources and implications for Brazilian land use
- The role of removals: nature-based solutions and carbon capture & storage (CCS)
- Global technological trends and innovation in a rapidly evolving landscape
- Brazil as a global leader in low carbon energy and emission free products
- Sizing the barriers for implementation under the Brazilian context and identifying potential solutions

Indonesia's election offers a new opportunity to engage with the government over the plans for the energy sector

Past efforts looked at the power system as a single system, showed solar dominated system was possible using batteries and interconnections between islands

New efforts to consider individual islands, address areas of concern or confusion

Build out:

- Dispatch models for 4 largest systems
- Indonesia-specific cost projections for new technologies (e.g., wind, solar, batteries, EVs)

Key messages:

- Energy security not an issue with renewable dominated systems
- Natural gas should not be a transition fuel
- Government subsidies for coal delay the transition and hurt the economy