



Energy
Transitions
Commission

Topical debate on New Net-Zero narratives

ETC Commissioners meeting
26 June 2025

Globally there is no single energy transition narrative



China: Officially the energy transition is the hallmark of its industrial competitiveness, geopolitical strength and likely future – despite current fossil.



USA: Energy Secretary labels “intermittent sources” (renewables) as “parasitical” but at the State level: Texas, California leaders backing clean investment.



Brazil: Lula’s global pitch is that Brazil’s +80% clean power sector shows it is a world leader, while fiercely defending Petrobras’ rights to drill in the Amazon.



LatAm: Data shows positive trends towards renewables, but telling people they can't use gas for cooking is received very poorly.



India: PM Modi talks up clean tech investments and domestic EV / clean energy developments while maintaining a firm line on coal use.



Africa: Narrative battle on development pathways and the role fossil fuels can play vs clean energy.



EU: Attacks on net zero from right-wing parties are increasing and have influenced specific measures (e.g., heating hammer in Germany), although climate action is still a priority for a majority of voters.

Underlying points:

- **Energy security**
- **Cost of living/transition vs. economic development and global competitiveness**



Energy security emerged as a leading priority in the past year

Key arguments:

- Energy security is a priority at a cost to the energy transition
- Trade-off between the cost of climate action and security agenda, given public budgets

Oil and gas important in times of conflict, Saudi Aramco CEO says

By Reuters

June 16, 2025 9:08 AM GMT+1 · Updated a day ago

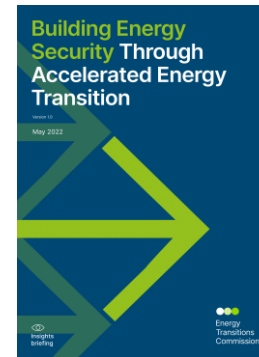


“Yet wind, solar, and EVs aren’t even meeting today’s demand growth, let alone tomorrows. That’s why oil and gas ... will be central to meeting rising demand and protecting energy security.” –Aramco CEO at Energy Asia 2025

But there are a lot of synergies between security and climate agenda:

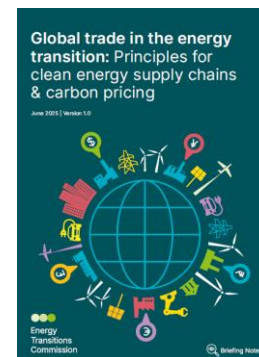


“From Prime Minister Starmer and President von der Leyen, we heard that **energy security is critical for national security**, and the importance of acting together and cooperating on these shared challenges.”

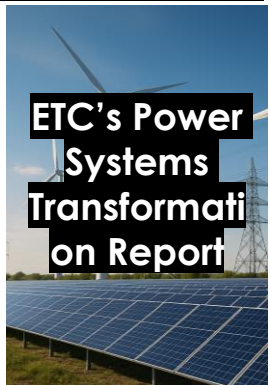


“Choices made today will shape the energy transition for decades to come. We must seize the **opportunities for clear win-wins on energy security and transition**”

Coming in July



In general, the clean technologies driving the energy transition are not entirely militarily relevant” [...] **software not hardware** is likely to see the greater risk”



And three additional narratives around Net-Zero have emerged in 2025

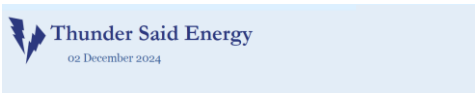
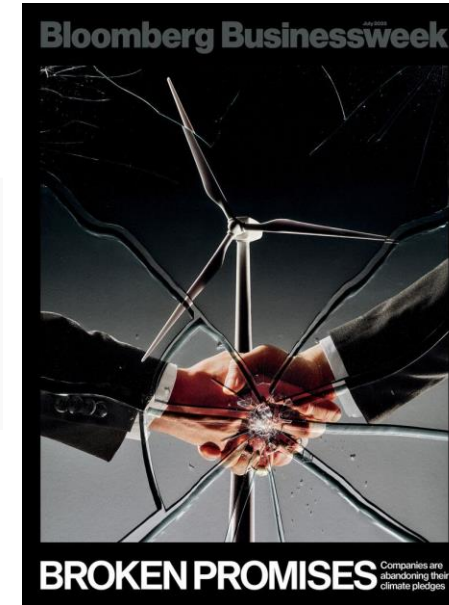
1) The energy transition is not happening/is not worth pursuing



2) Multilateralism is dead



3) Corporates are stepping away from commitments



Energy transition: losing faith?

What if achieving Net Zero by 2050 and/or reaching 1.5°C climate targets now has a <3% chance of success, for reasons that cause decision-makers to backtrack, and instead focus on climate adaptation and broader competitiveness? Can our Roadmap to Net Zero be salvaged?



Major banks are abandoning their climate alliance en masse. So much for 'woke capital'
Adrienne Buller



1) The energy transition is not happening/is not worth pursuing

Key Arguments:



- **Clean energy growth isn't keeping up with rising energy demand** e.g. from Global South, digitalisation, electrification
- **Technologies are not commercially viable at scale** E.g., CCUS, green hydrogen, and DAC are not yet
- **Transition costs are high and straining public budgets** e.g. UK offshore wind auction failures in 2023.
- **Fossil fuels remain cheaper or more reliable in many regions** e.g. coal resurgence in Asia.

Possible counterpoints:

- **We have always acknowledged the need for strong policy to accelerate the transition.**
- **Deployment pace is accelerating in many countries** due to IRA, REPowerEU, China policy etc.
- **Majority of voters globally still support climate action if well-designed and fair.**
- **Long-term costs of inaction outweigh short-term transition costs** – however this needs to be communicated more.



Pictured (top): Kemi Badenoch, UK Business Secretary, who has famously said reaching UK's net zero 2050 target is "impossible" and must not "bankrupt the country".
(bottom): Greenpeace (2024), Project Climate Vote.

2) Multilateralism is dead

Key Arguments:

- US withdrawal from the Paris Agreement under Trump weakened trust in global cooperation
- China and India now account for the largest share of emissions, yet face less pressure than historical emitters
- Developing countries, especially Small Island Developing States (SIDS) and low-income countries, still lack real influence in global negotiations and access to climate finance
- Multilateral organisations (e.g., UN, WTO) fail to deliver collective action



Possible counterpoints:

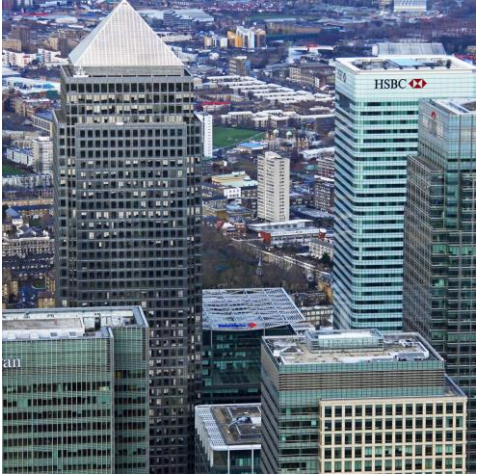


- **This argument has always been made;** we must keep pushing forward despite setbacks.
- **New global carbon tax from International Maritime Organisation** backed by China, Brazil, India and 60 other countries.
- **COP29 still achieved goal on finance** – even if weak.
- **Climate finance is rising.** In 2023, MDBs committed a record \$125 billion for climate action worldwide, with 60% of that going to low- and middle-income countries.

Pictured (top): United States President Trump announcing "Reciprocal Tariffs" on imports due to national and economic security concerns arising from US goods trade deficits.
(bottom): CNBC (2025), World's first-ever global emissions tax is on the table at crunch shipping talks.

3) Corporates are stepping away from climate commitments

Key Arguments:



- **GFANZ pivot away** from transition planning towards emerging markets only, and exit of financial institutes from GFANZ, Net Zero Banking Alliance and other related initiatives
- **Leading fossil companies struggle to pivot to new business models**
- **SBTi allowing more flexibility on target underperformance**, recognizing that 1.5°C trajectories not on track
- **Bezos, Gates pulling funding for climate**

Possible counterpoints:

- **Corporates can only move in tandem with policy developments** in many sectors.
- **Mainly a US issue**, and as the dust settles **much of activity** that was labelled 'ESG' likely to continue.



Relevant responses ETC has done

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The **Tony Blair Institute for Global Change's** recent report misrepresents several key facts about the global energy transition. In times like these, it's vital to examine what the evidence shows. ...more

ETC response to Tony Blair Institute Climate Paradox report

The Tony Blair Institute for Global Change has recently published a report, *The Climate Paradox: Why We Need to Reset Action on Climate Change*.¹ This was publicised in a way which suggested that the report was calling for a rejection of net-zero targets as "irrational" in the UK and across the world. Subsequent clarifications have been issued to state that the Institute "supports the government's 2050 net zero targets... and that their approach is the right one."²

Unfortunately, and surprisingly, the report is a lost opportunity to make a useful contribution to the global debate on how to achieve the emissions reductions needed to limit global warming to manageable levels.

It is essential to face the reality that the world is not yet on a path of emissions reduction, that it is no longer feasible to limit global warming to 1.5°C, and that redoubled efforts and in some cases new policies will be needed to achieve even the Paris Treaty objective of a "well below 2°C" limit. Clearly, we need to keep reassessing the balance of different technologies which can be used to reduce emissions in a cost-effective way.

But this is a disappointingly poor contribution to the needed debate.

It includes a rehash of the need to meet increasing energy demand across the world, particularly in developing countries and notes that progress on moving away from energy system reliance on fossil fuels has so far been limited. Both points have been described in depth by the International Energy Agency (IEA), the ETC and others.³ The *Climate Paradox* then suggests that:

"These are *inconvenient facts*, which mean that any strategy based on either "phasing out" fossil fuels in the short term or limiting consumption is a strategy doomed to fail".

Both statements are true, but:

- **No serious contributors suggest it is possible to "phase out fossil fuels in the short-term"**. The agreement reached at the COP28, under the UAE Presidency, was to "transition away" from fossil fuels, while recognising that this would take several decades. Scenarios presented by the IEA and the ETC suggest a range of feasible paths with different climate change consequences, none suggest a short-term phase out in any normal sense of the phrase "short-term."
- **Neither global scenarios (e.g., IEA) nor UK policy rely to any significant extent on "limiting consumption"** but instead on deploying new technologies (i.e. solar, batteries, wind and in some cases nuclear) to enable continued growth in energy services in developed countries and massive growth in low income countries e.g., ETC work assumes

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John Allen and 84 others • 7 comments • 25 reposts

The role of carbon credits in accelerated corporate action


May 2025
Version 1.0



Energy Transitions Commission

Fossil Fuels in Transition: Committing to the phase-down of all fossil fuels

November 2023



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Energy Transitions Commission

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Responding to media on the Spain/Portugal Blackouts

Iberia mess places timely focus on grid resilience



Europe's first grid crisis may not be its last



Massive blackout reignites culture war over the future of nuclear energy in Spain



The great Iberian power cut need not spell disaster for renewables



ETC aims to align to the following criteria for any response



High profile



Global issue



Facts need correcting



Others not intervening to same extent

“For those (like me) who read the TBI report but didn’t have the bandwidth to respond why it was in parts muddled and misleading.”

-ETC Commissioner Ian Simm (Impax)
on ETC response to Tony Blair Institute
report



Points for discussion

- **How should ETC work reflect these new narratives?**
- **To what extent should ETC actively counter these challenges?**
- **Do we need to focus more on the trade-offs and middle ground solutions (e.g. unabated gas in power, with guidelines)?**

