



Energy
Transitions
Commission

The energy transition in 2026: recent developments and how to respond

ETC Commissioners Meeting
19 March 2026

Plan for the day

Agenda item	Presentation time	Discussion time
Current geopolitical landscape and implications for key regional transitions	15'	35'
The state of multilateral climate diplomacy, corporate action and public debate	20'	30'
Break	30'	
Where does this leave us: between fragmentation and acceleration	10'	
How does ETC respond: a tactical plan for 2026 <ul style="list-style-type: none">ETC work programme & Protecting ParisCommunications programme refresh	3 x 10'	2 x 20'



Executive summary

- **2026 begins with energy market shocks and geopolitical divergence:** potentially positioning clean energy as resilient response to disruptive fossil fuel markets.
- In this new energy order **China is the dominant electrostate**, betting on electrons as the dominant energy source of the future **while the US doubles down as the dominant petrostate**, with other economies (EU, India) falling in between. Middle powers remain strong on clean energy, but pace can increase and politics of action increasingly difficult.
- **COP30** shows increased split between negotiations and real world outcomes. **Major gaps in new pledges question plausible temperature ambition levels.** Cumulative emissions from China, India dominate future pathways.
- **4 big misses of the 2020s:** Methane reductions are marginal; deforestation remains off-track; carbon removals are nowhere near required scale; and there is still no rapid solution for the early phase out of coal generation.
- **Corporate and financial sector action:** difficulties implementing near term action in some sectors – associated with slower than anticipated policy strengthening, risks challenging overall net-zero commitments.
- **Real economy action and impacts:** Clean power delivered most electricity growth; EV penetration is accelerating beyond China; electrification momentum is spreading.
- **Climate debates increasingly polarized**, particularly in media and online, partly driven by deliberate misinformation.
- **Where does this leave us?** Rapid progress continues to be possible towards Paris goals of well below 2°C – need to actively counter normalization of lower ambition & higher temperature scenarios.
- **ETC's 2026 work programme will speak to this the new global reality**, emphasizing how electrification can accelerate to meet the goals of the Paris agreement, alongside a step change in action in other areas. We will engage across the climate spectrum in support of ambitious climate action ('Protecting Paris') and intervene in specific areas: carbon pricing, AgriPV, nuclear and geothermal.
- The **communications strategy** is also being refreshed to address this increasing polarity. ETC's three pillars: amplify, repeat and extend will evolve to consider more tailored content, broader audiences, faster response capability and how to embrace AI.



Agenda

- **Current geopolitical landscape and implications for key regional transitions**

- The state of multilateral climate diplomacy, corporate action and public debate
- Where does this leave us: between fragmentation and acceleration
- How does ETC respond: a tactical plan for 2026



Happy new year

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January 3, 2026 — Maduro in US custody

Updated 6:23 PM EST, Sun January 4, 2026

Reuters World ▾ Business ▾ Markets ▾ Sustainability ▾ Legal ▾ More ▾

Iranian leader Khamenei killed in air strikes as U.S., Israel launch attacks

By Phil Stewart, Parisa Hafezi, Maayan Lubell and Andrew Mills

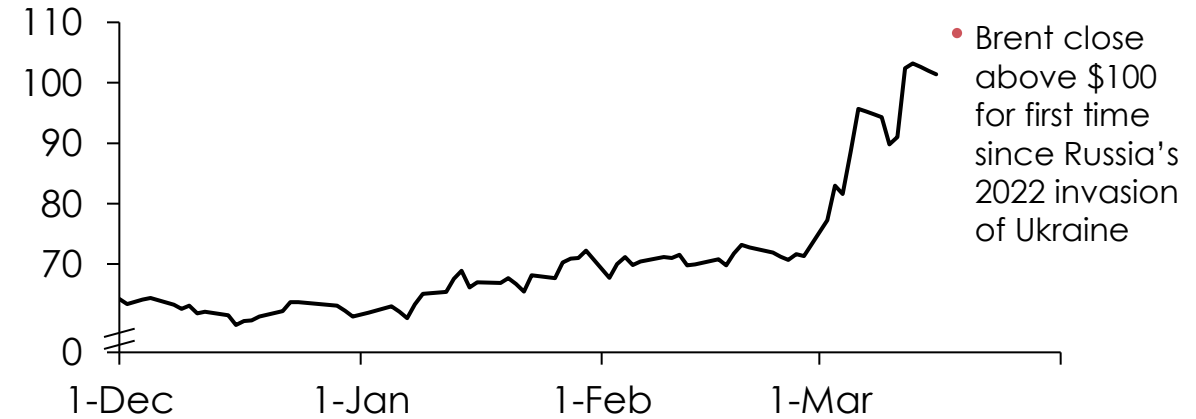
February 28, 2026 7:37 AM GMT · Updated March 1, 2026

Iran [+ Add to myFT](#)

Iran war is causing largest disruption in history to oil supplies, says IEA

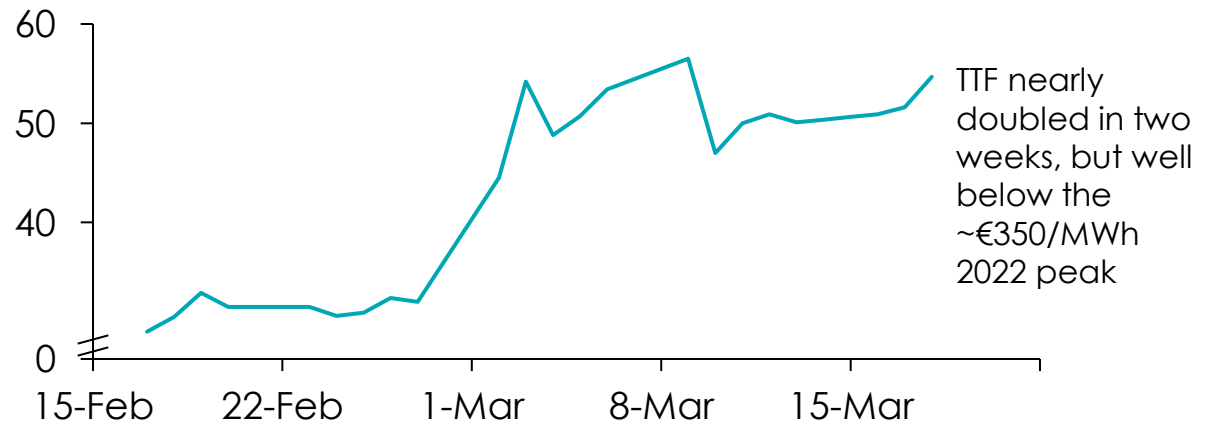
Brent crude price (Dec 2025 – Mar 2026)

Dollars per Barrel



TTF natural gas price, month ahead (Feb – Mar 2026)

€ per MWh



Sources: FRED (2026) Crude Oil Prices: Brent - Europe, Dollars per Barrel, Daily, Not Seasonally Adjusted; ICE Exend (2026) Dutch TTF Natural Gas Futures

The Strait of Hormuz: a critical chokepoint of global trade

Reported attacks on cargo ships in Gulf and Gulf of Oman



Source: UKMTO and Vanguard, 12 March 10:00 GMT

BBC

Facts:

- Strait of Hormuz pre-crisis saw **1/3 of global crude oil trade**, **1/5 of global LNG trade** as well as relevant shares of LPG, refined oil products and chemicals including fertilizers.
- ~85% of crude oil and LNG **destined to Asia**, with access to fertilizers disproportionately impacting least developed countries – LNG importers like Europe bearing price implications

Possible implications:

- Immediate demand destruction and economic consequences – question over duration
- Reinforces shift to 'resilient' clean energy – but speed of deployability is key to near term response

Source: UN Trade & Development (2026) Strait of Hormuz Disruptions

While the US makes attempts to delay fossil fuel decline, other economies pursue clean electrification as a source of higher energy security

The dominant petrostate?



- Hedging O&G national resource on global instability and short to medium term dependency on fossil fuels; delaying investments in electrification except where there is strong business case
- *Implications of short-term disruptions? Long-term damage to transition prospects through lock-in?*

With countries caught in between



The emerging electrostate?



- Largest exporter of green tech & moving into new markets
- Investing in clean electrification while managing energy demand growth with fossil not yet falling substantially
- *How fast can China go domestically? How much will the world embrace Chinese cleantech?*



The elephant in the room: while federal decision diverges, local actions can still be expected to be led by market rational



DRILL, BABY DRILL

YES

BUT

Domestic



IRA-era investment pipelines severely reduced

Strong executive directives against the energy transition (cancellations of offshore wind, key transmission lines)

Data centres driving electricity demand and capital flowing toward technologies that are most reliable

Repeal of the Endangerment Finding, which defines CO₂ as a pollutant in US.

International



UNFCCC withdrawal

Fossil fuels increasingly used as geopolitical leverage (LNG diplomacy, Venezuela oil).

Direct intimidation to push IMO negotiations away from binding fuel standards and carbon pricing

IRA enabled strong deployment in 2025; BNEF still expects 60 GW of solar additions, + 14 GW storage but pipeline slowing. EV sales slowing, down 24% in Q425.

Legal and state-level opposition, e.g., offshore wind challenges, limiting full policy reversal

Gas supply chain constraints limit how quickly fossil expansion can scale, favoring clean power as the fastest, most scalable and increasingly cost-competitive option.

Highly challenging to reinstate.

Progress possible without US

Countries/blocs wary of US pressure

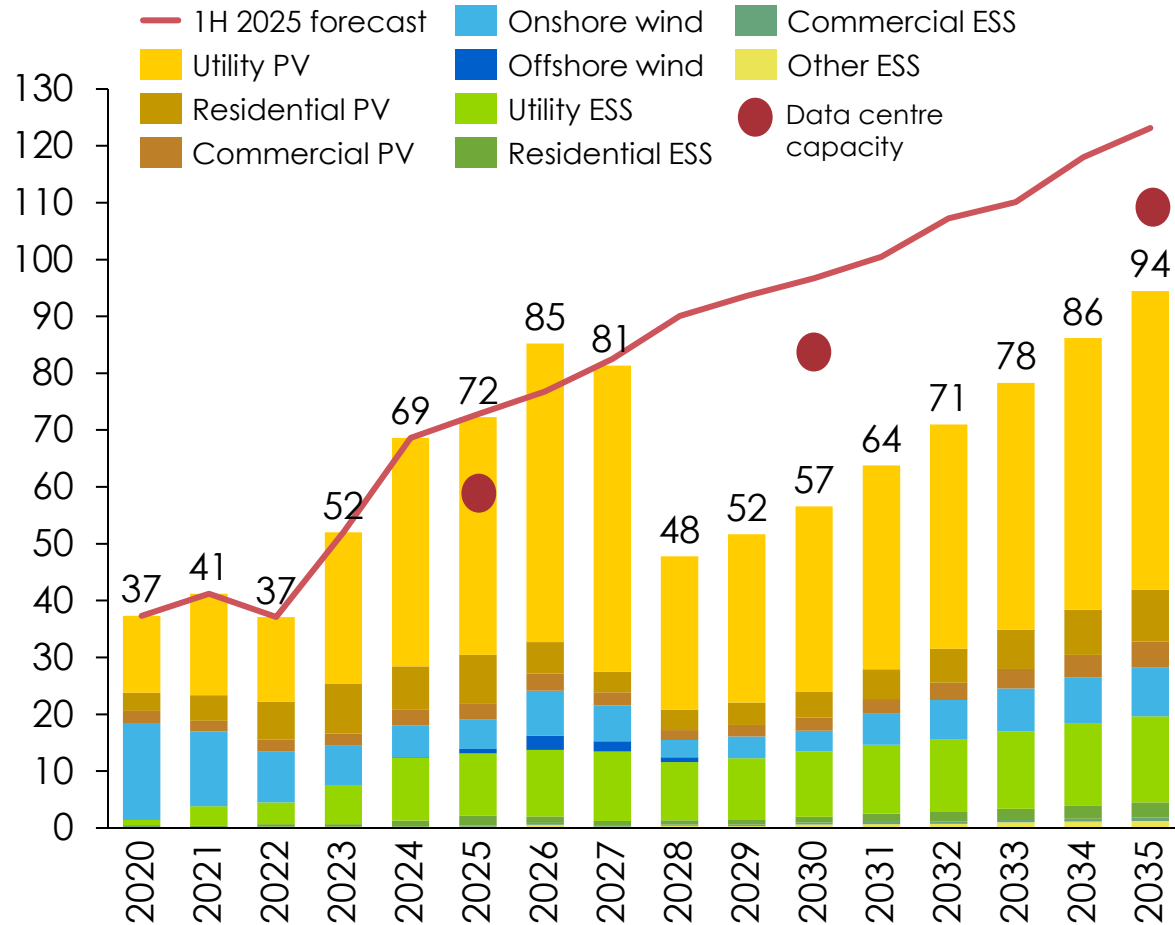
Likely sustained damage.

Mixed US policy signals contrast with rapidly rising electricity demand, with investment likely guided by underlying economics



BNEF new US new-build forecast vs. 1H 2025 outlook

GW



- **BNEF has revised down the near-term US renewables build outlook**, reflecting policy uncertainty, but new build still rises from ~72 GW to ~94 GW in 10 years, alongside growing data-centre demand.
- **Clean power is the cheapest power generation** with LCOE for PV and onshore wind ranging ~\$35-60/MWh against new gas-fired plant at ~\$70/MWh and nuclear at ~\$125/MWh .
- **Storage has become a core part of the least-cost buildout:** utility-scale battery costs have fallen by ~90% since 2015

Note: * = 5% WACC (real) assumed. Construction duration assumed to be 10 years. Interest during construction (IDC) assumed CAPEX is spent evenly over construction duration (n), so the average interest accrues at WACC for n/2 years. Source for nuclear figure: Energy Technologies Institute (2020), *The ETI Nuclear Cost Drivers Project*; BNEF LCOE Data Viewer, INL (2024), *Nuclear Energy Cost Estimates for Net Zero World*. Source: BNEF (2026) LCOE Data Viewer; (2026) US Data Center Outlook 2H 2025 The Boom Gets Bigger; Trump Slams the Breaks on US Wind and Solar Growth

Undermining the referee: US pressure on the IEA risks leaving a vacuum of global alignment around a reference Net Zero scenario



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US threatens to quit energy agency if it doesn't drop green transition

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US to West's energy watchdog: scrap net zero focus or we'll quit

"We will reform the way the IEA operates, or we will withdraw."

*Chris Wright
US Energy Secretary
July 2025*



The Economist

Weekly edition World in brief United States China Business Finance & economics

Climate change is a by-product of progress, not an existential crisis, says Trump's energy czar

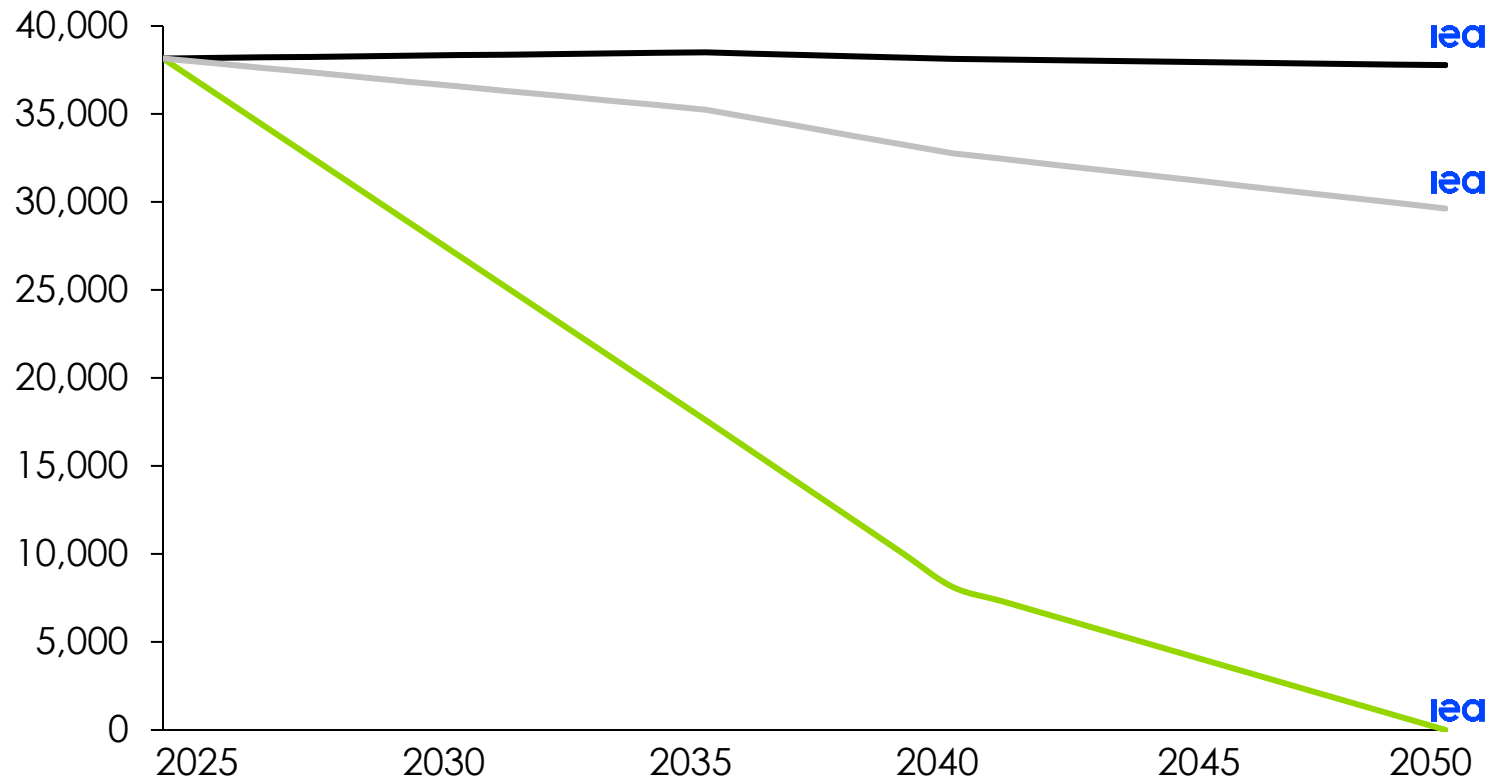


IEA's Net Zero, the decarbonisation pathway reference, expose to no further updates, with the risk of normalising a 2–3°C warming as “pragmatic realism”

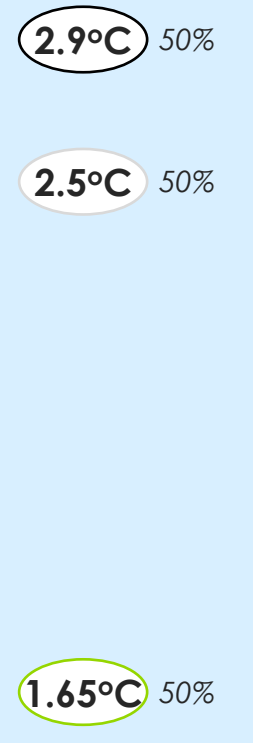
Energy related CO₂ emissions

Mt CO₂

— IEA STEPS 2025 — IEA CPS 2025 — IEA NZ 2025



Peak temperature in the 21st century with related probability



- US pressure on the IEA raises the risk that the world's main Net Zero reference pathway is no longer regularly updated.
- A vacuum in reference Net Zero scenarios would leave a weaker basis for target-setting and accountability.
- Risk of lower ambition scenarios in the 2–3°C range gaining legitimacy and begin to be treated as the default pragmatic baseline.

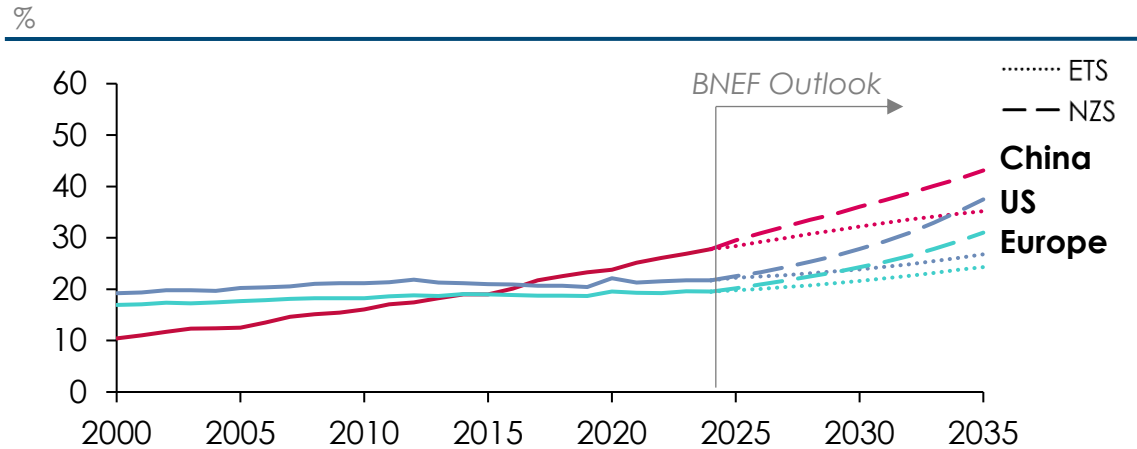
Source: IEA (2021) Net Zero by 2050; IEA (2024) A Net Zero Roadmap; IEA (2024) World Energy Outlook; IEA (2025) Global Energy Review; BNEF (2025) New Energy Outlook
 Note: IEA Scenarios have emissions interpolated between 5-10 years; BNEF scenarios only accounts for Energy Sector and Industrial process emissions, to compare against IEA's scenarios, remaining emissions from comparable scenarios from IEA were added to BNEF scenarios (i.e. BNEF ETS 2025 was adjusted according to IEA STEPS 2025, and BNEF NZ 2024 was adjusted according to IEA NZ 2025)



China position as leader of the electrotech revolution, but Chinese grid emissions are above global average with disproportionate climate goals

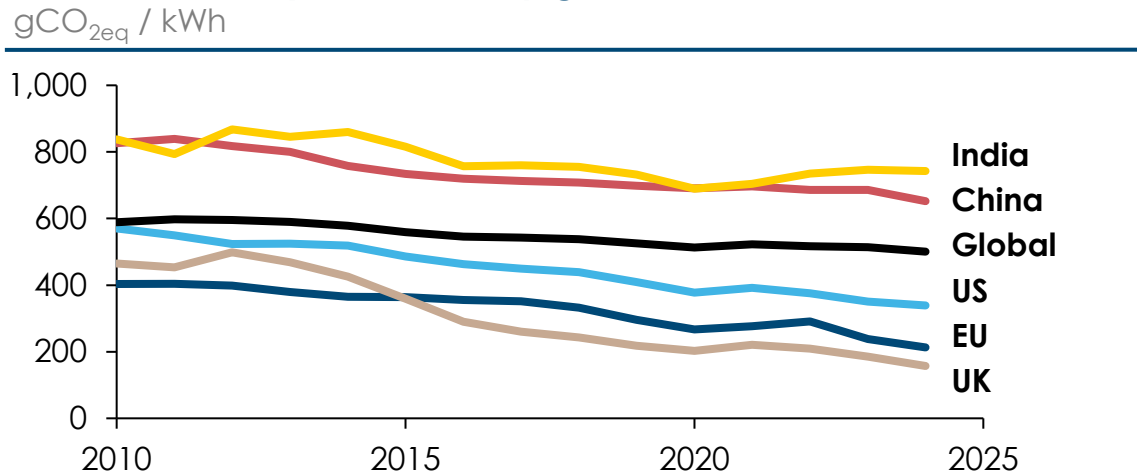


Electricity share of total final energy consumption by country



- China has the highest electrification rate among major economies, with electricity at **30% of final energy use vs 22–23% in the US and EU.**
- Electrification continues to accelerate, reaching **nearly 45% of final energy by 2035 in net zero scenarios.**

Carbon intensity of electricity generation



- China's power sector remains **more carbon intensive than the global average (560 vs 470 gCO₂/kWh)** due to continued coal reliance.
- **Coal still accounts for around 60% of China's electricity generation**, despite coal generation declining by 1.6% year on year in 2025.

Source: BNEF (2025), *New Energy Outlook*; EDGAR, Ember, Carbon Brief (2026) Coal power drops in China and India for first time in 52 years after clean-energy records

China's 15th Five Year Plan pursues clean energy expansion and selective industrial autarky simultaneously, broadly in line with its NDC commitment



China's new NDC moves from 'peaking by 2030' to 7-10% reduction from peak levels by 2035.

The Five-Year Plan operationalises China's NDC through carbon intensity targets but avoids binding near term emissions constraints.

Strategy is selective: autarky in strategic tech, more open in clean energy technologies

Where Five-Year Plan and NDCs align

- ✓ Carbon intensity reduction remains the core policy metric.
- ✓ The new 17% intensity reduction is broadly consistent with reaching the NDC target of a 65% reduction by 2030.
- ✓ Rapid deployment of renewables and electrification continues.

Where the Five-Year Plan leaves flexibility

- ✗ No absolute emissions cap before 2030 though 'peaking' still the goal.
- ✗ Intensity based targets allow emissions to continue rising if GDP growth is strong.
- ✗ Coal remains available to support system reliability and energy security.



Seeks autarky

- Semiconductors, AI and advanced materials - full domestic self-reliance push
- Dominance over solar, EV and battery manufacturing supply chains maintained



Open to collaboration

- Clean energy supply chains - actively courts foreign investment and imports
- Overseas investment in critical minerals continues, supporting clean energy supply chains – including finance and technology cooperation

The EU and the UK set up bullish NDC targets, committing to reduce GHG emissions by 70 and 80% by 2035, CBAM phase in a key pillar

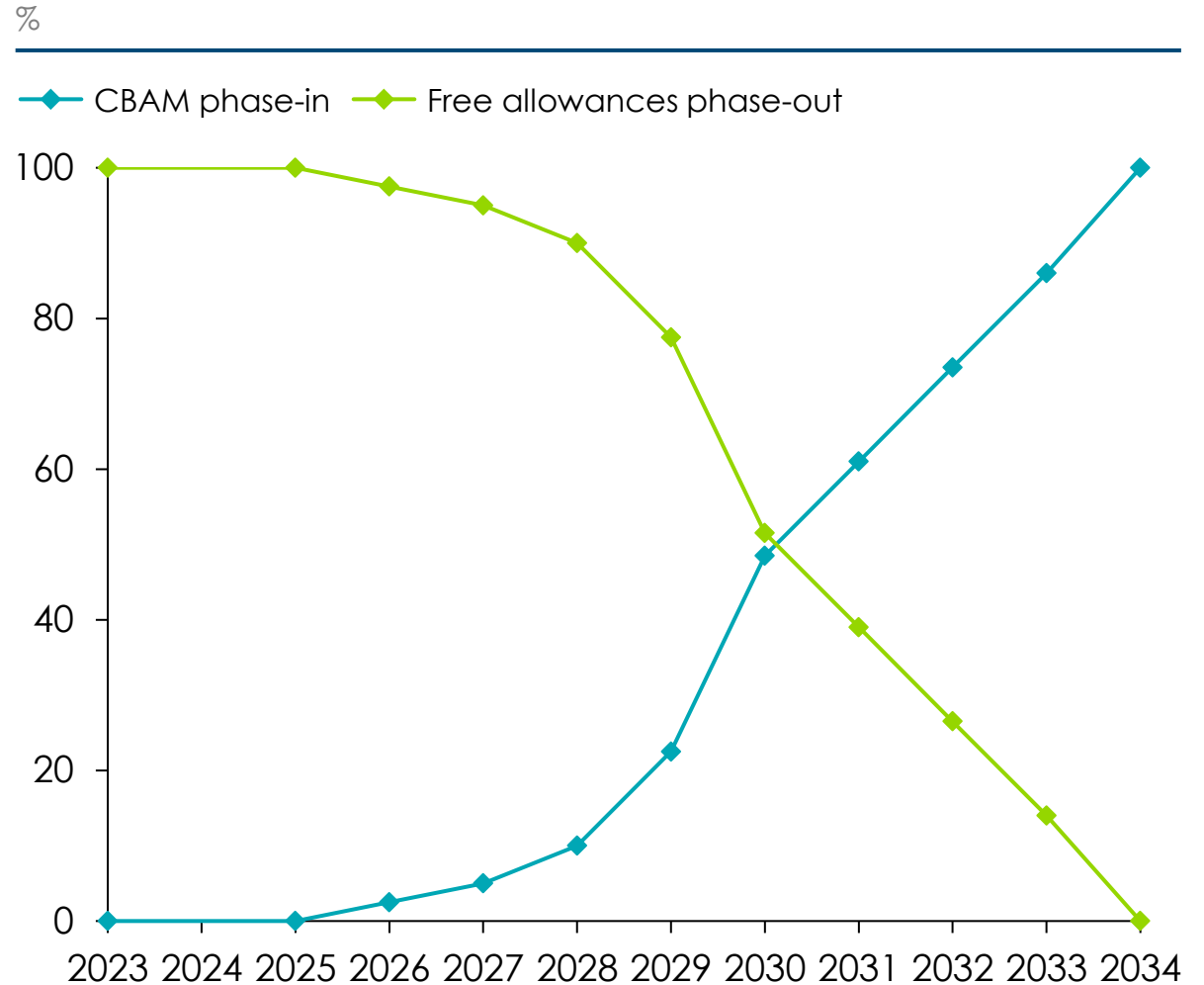


- Reducing GHG emissions by **66-73% by 2035** compared to 1990 levels
- Legally binding target to cut net emissions by **90% by 2040**, relative to 1990 emissions
- **One-year delay** for the inclusion of transport and housing under ETS scheme (**ETS2**)
- Ban on ICE cars sales by 2035 diluted but still strong



- Reducing GHG emissions by **81% by 2035** compared to 1990 levels
- Pledge to achieve at least **95% clean electricity by 2030**, alongside the phase out of coal power
- UK ETS under consultation for extending scope to international maritime voyages
- Ban on ICE cars and vans sales by 2030

Phase out of free allowances. EU ETS



Source: Enerdata (2025) EU updates NDC with 66–72% GHG reduction target by 2035; WRI (2025) Despite Some Progress, Countries' New Climate Plans Largely Fall Short; Department for Energy Security and Net Zero (2026) UK Emissions Trading Scheme (UK ETS): a policy overview;

A European dream of climate goals turned into a European imperative for affordable energy security



Europe perfect storm



Despite ambitious climate goals, EU faces headwinds from sustained high energy prices



Moving away from fossil fuel volatility

Platts Dutch TTF month-ahead gas

EUR/Mwh

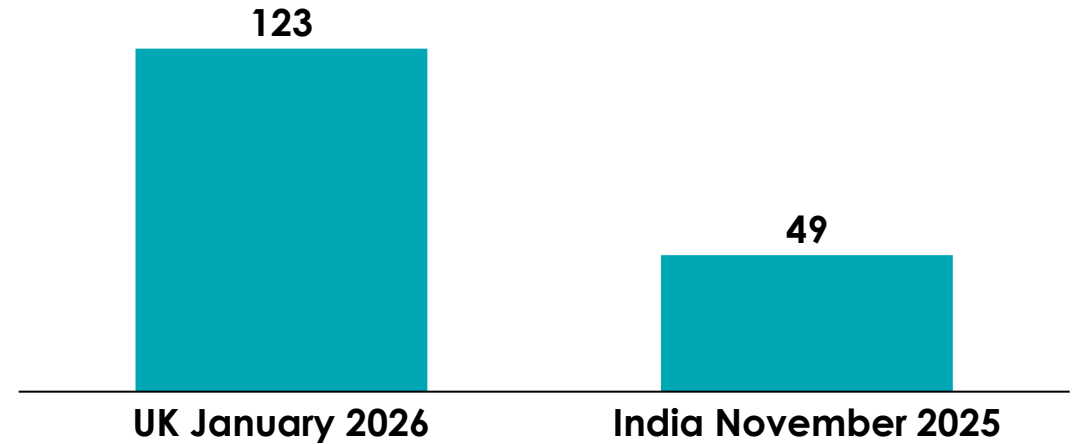


- Gas is ~20% of EU final energy demand, LNG is small share but sets marginal price.
- Following sanctions on Russian imports, in July 2025, the EU announced a trade deal with the US to import \$750 million worth of LNG by 2028, undermining EU's energy security and the transition away from fossil fuels

To struggling to compete with sunbelt power

Clean power auctions in UK and India

\$ per MWh price



UK January 2026



AR 7 Offshore wind

8.4 GW awarded @ £91.2 per MWh

Indexed price rising with RPI

India November 2025



REMCC round the clock

1GW awarded @ ₹4.33 per KWh

Fixed nominal price for 75-85% of all annual hours

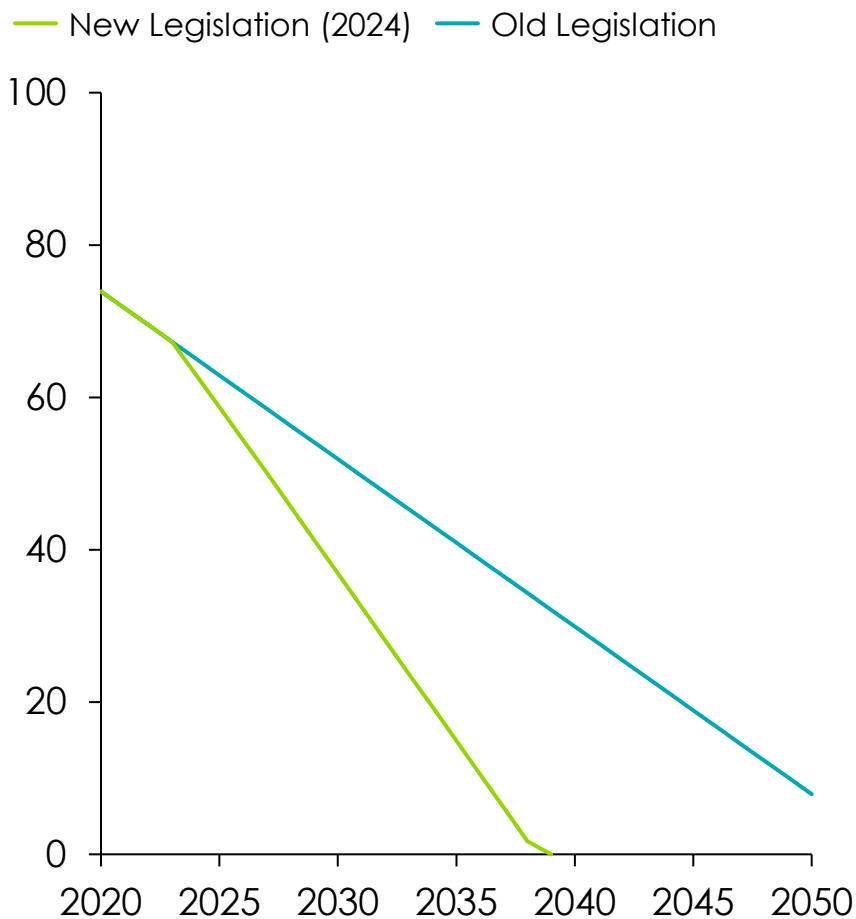


Source: S&P (2026) Global Energy; Eurostat (2025) Energy statistics - an overview; MERCOSUR (2025), Renewable Power Auction; UK Government (2025), Contracts for Difference (CfD) Allocation Round 7: results.

...Resulting in EU ETS, just after a few months of CBAM implementation, being used as a scapegoat

EU emissions cap as share of 2005 emissions

%



*"This system [EU ETS] is implemented to reduce CO₂ emissions and... enable the companies to come to CO₂-free production lines... if this is not achievable... **we should be very open to revise it [EU ETS] or at least to postpone it"***

Friedrich Merz, Federal Chancellor, Germany - February 2026



German Chancellor walk back to defend the ETS a day after as an effective system that have decrease industry emission by 70% since its implementation

*"The ETS mechanism, as currently designed, is **nothing more than a tax, a levy on energy-intensive companies**... It is necessary to revise it substantially ... To do this properly, the ETS mechanism must be suspended pending a reform"*

Adolfo Urso, Industry Minister, Italy - February 2026



Italy called for a suspension of the ETS after threatening to remove its power market from the scheme

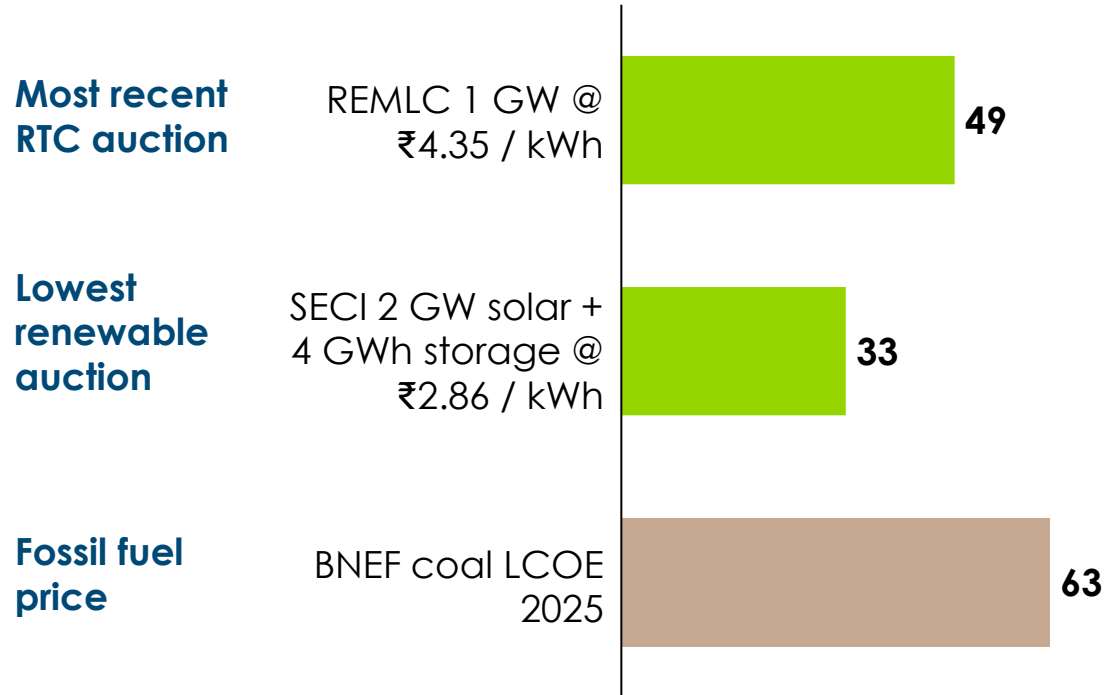
Source: S&P (2026) European carbon prices slide as Germany's Merz says EU ETS may need revamping; Politico (2026) Italy calls for suspension of carbon price in major attack on EU climate policy

India likely to decarbonise energy additions, but will need sustained drive to materially transition in medium term



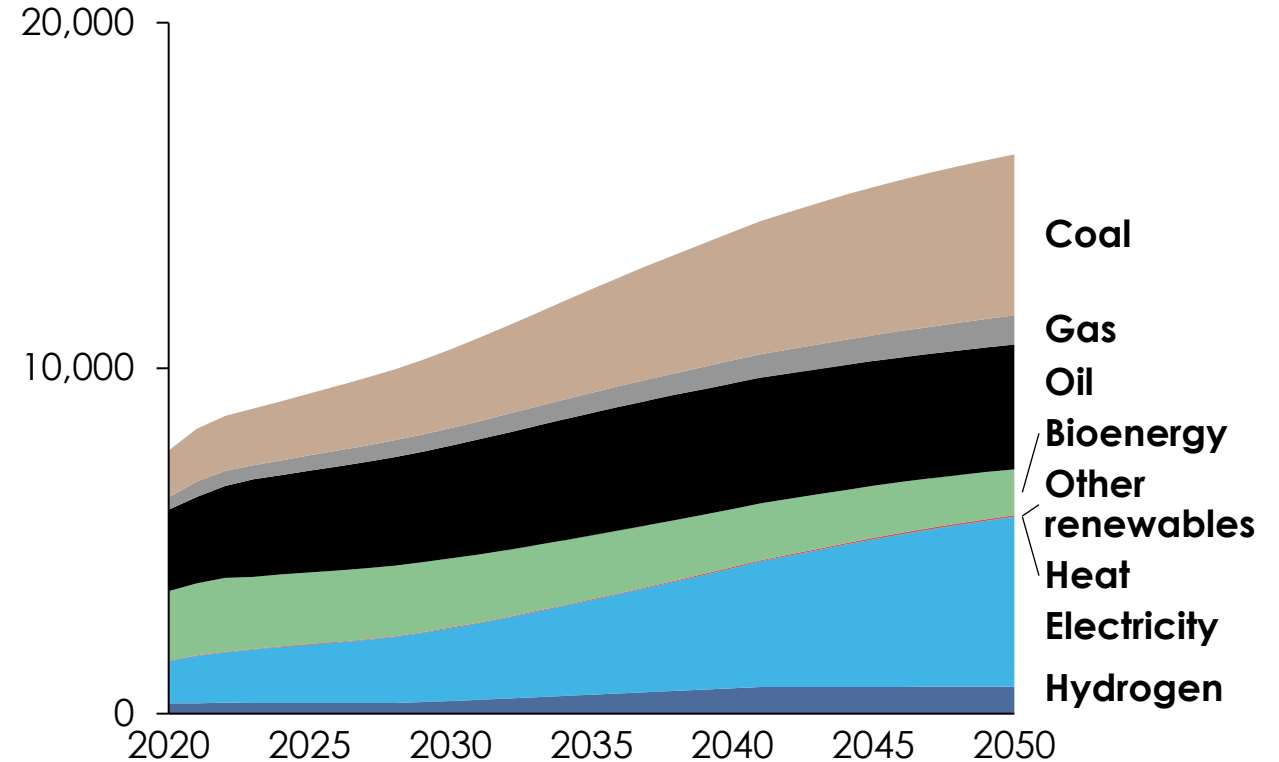
India auction results

\$/MWh



BNEF India final energy consumption by fuel, ETS Scenario

TWh



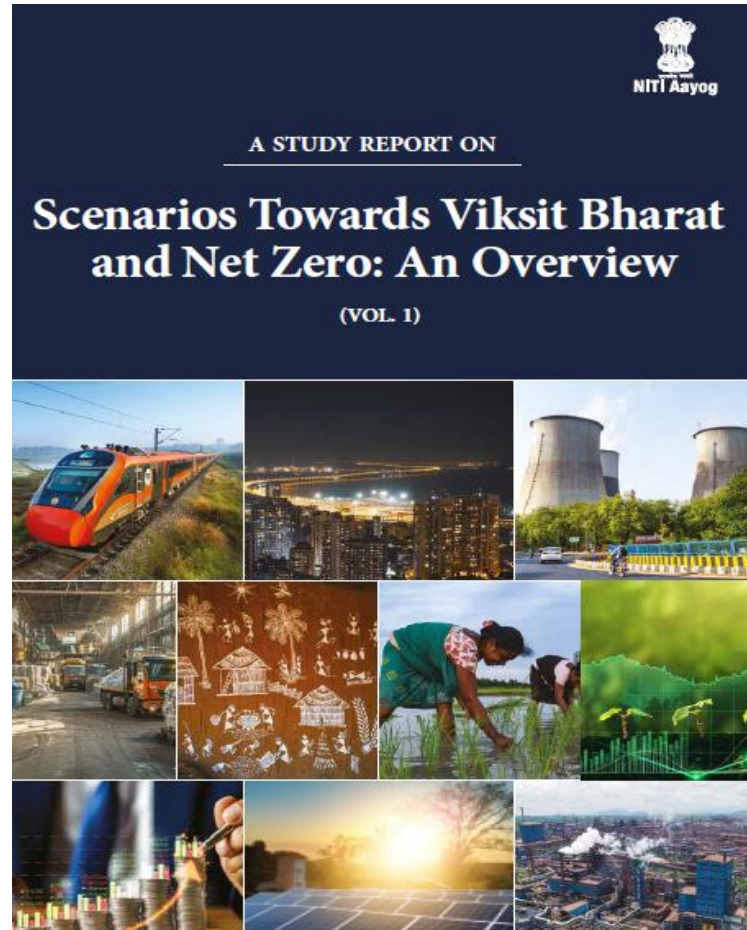
Low-cost renewable auctions position **clean power as the most competitive source of new generation** capacity in India

However, rapid growth in total energy demand means **fossil fuels continue to expand in absolute terms**



Source: BloombergNEF (2025) New Energy Outlook 2025; PV Magazine (2025) India awards 1 GW of round the clock renewables at INR 4.35/kWh; PV Magazine (2025) India solar plus storage tender sets record low INR 2.86 tariff; BloombergNEF (2025) Levelised Cost of Electricity Update 2025;

NITI Aayog's first 2070 net zero outlook relies on rapid electrification and renewables deployment, grounded in unconstrained development

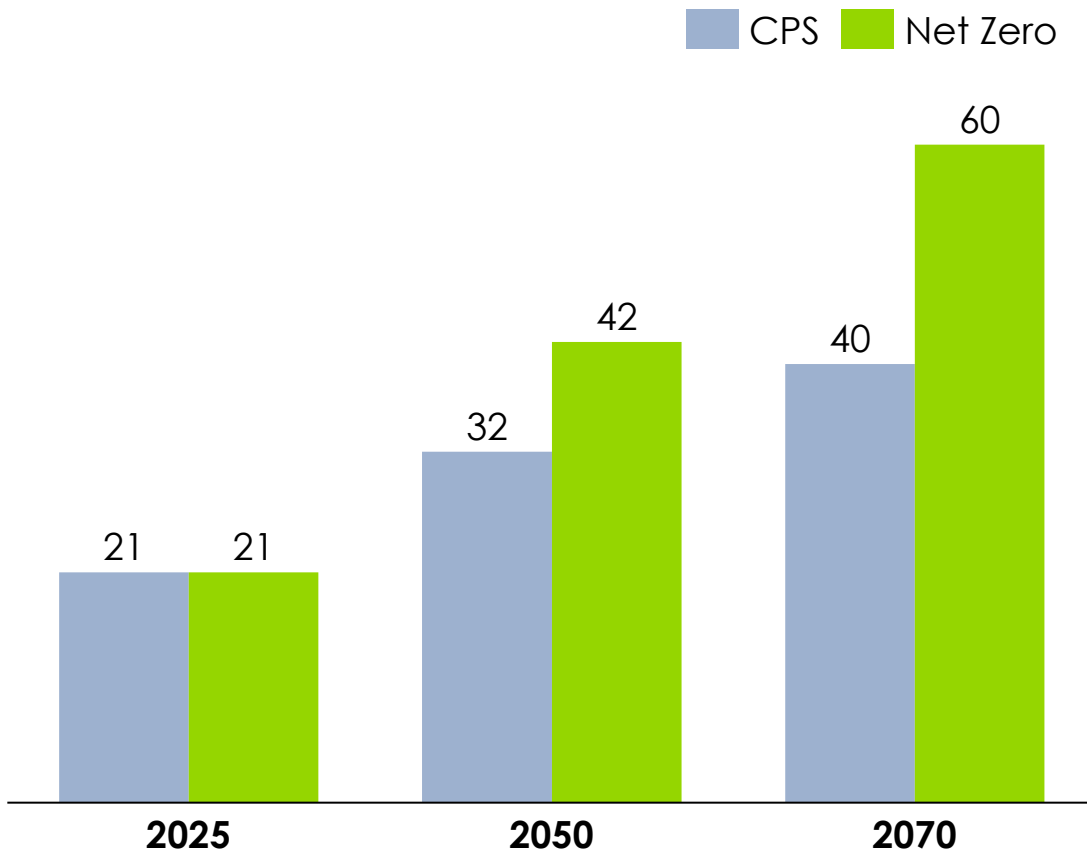


Key takeaways:

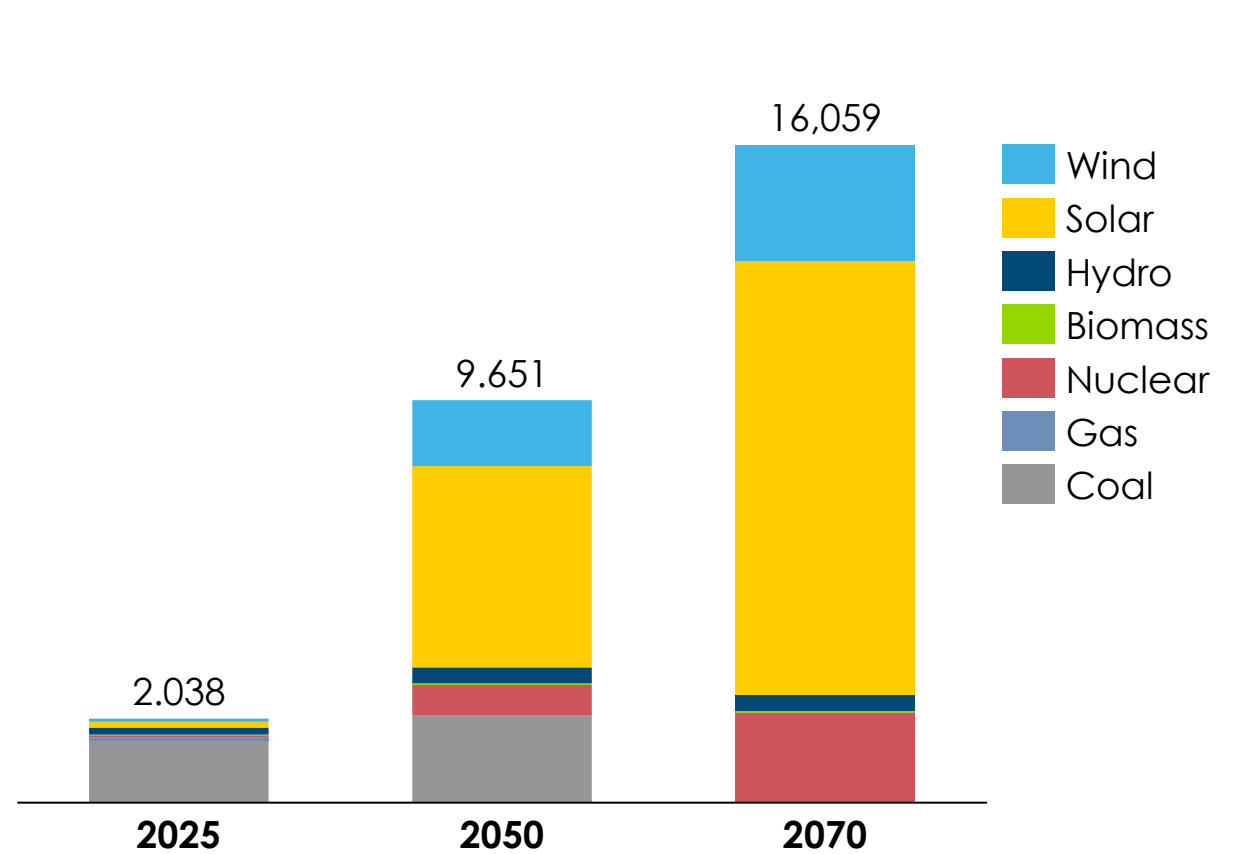
- **Electricity 60% of final energy** demand by 2070, with 16000 TWh of consumption
- 2070 electricity generation: 65% solar, 17% wind, 14% nuclear, 0% fossil fuel
- 5000 GW solar capacity by 2070
- Electricity prices rise but then fall : is that too pessimistic? What cost assumptions?
- Small impact on GDP growth
- **Decarbonisation of heavy industry largely after 2050**
- Emissions pathway and cumulative emissions is unclear – but may be above estimates of 100 Gt CO₂

In NITI Aayog's model, electrification doubles from today to 2050, renewables scale massively but coal only phases out post 2050 with nuclear deployment

Electricity share of final demand – NITI Aayog
%



Electricity generation mix – NITI Aayog India Net Zero Scenario
TWh



Source: NITI Aayog (2026) A Study Report On - Scenarios Towards Viksit Bharat and Net Zero: An Overview (Vol. 1)

Discussion: Comments & Reflections



Agenda

- Current geopolitical landscape and implications for key regional transitions
- **The state of multilateral climate diplomacy, corporate action and public debate**
- Where does this leave us: Between Fragmentation and Acceleration
- How does ETC respond: a tactical plan for 2026



COP30 highlighted increasing split between official negotiations and real world action

Key COP30 Advancement on the Action Agenda

- 1 Momentum on Energy Transition**
Global commitment to scale grids, storage, and renewables (e.g., UNEZA targeting **USD 1T by 2030**).
- 2 Industrial Decarbonisation Push**
Brazil launches ENDI; 30+ countries sign the Belém Declaration; unified steel standard covering **70% of global output**. Agreement on **four-fold increase** in global SAF production by 2035.

Key COP30 Shortcomings on Negotiations

- 1 Carbon market rules**
Foundations of inter-governmental carbon credit trading continue to be put in place, though concerns about robustness and additionality still remain
- 2 Failure to commit to fossil fuel phase down**
Fossil fuels not mentioned in the negotiation text
- 3 Climate finance**
Unable to secure a binding roadmap for climate finance, with pledges far below the bullish \$1.3 trillion ideally required by developing nations
- 4 Acknowledgement on Climate–Trade Linkages**
First COP text linking climate policy to trade (e.g., CBAM), elevating an issue long blocked in negotiations.

Some progress

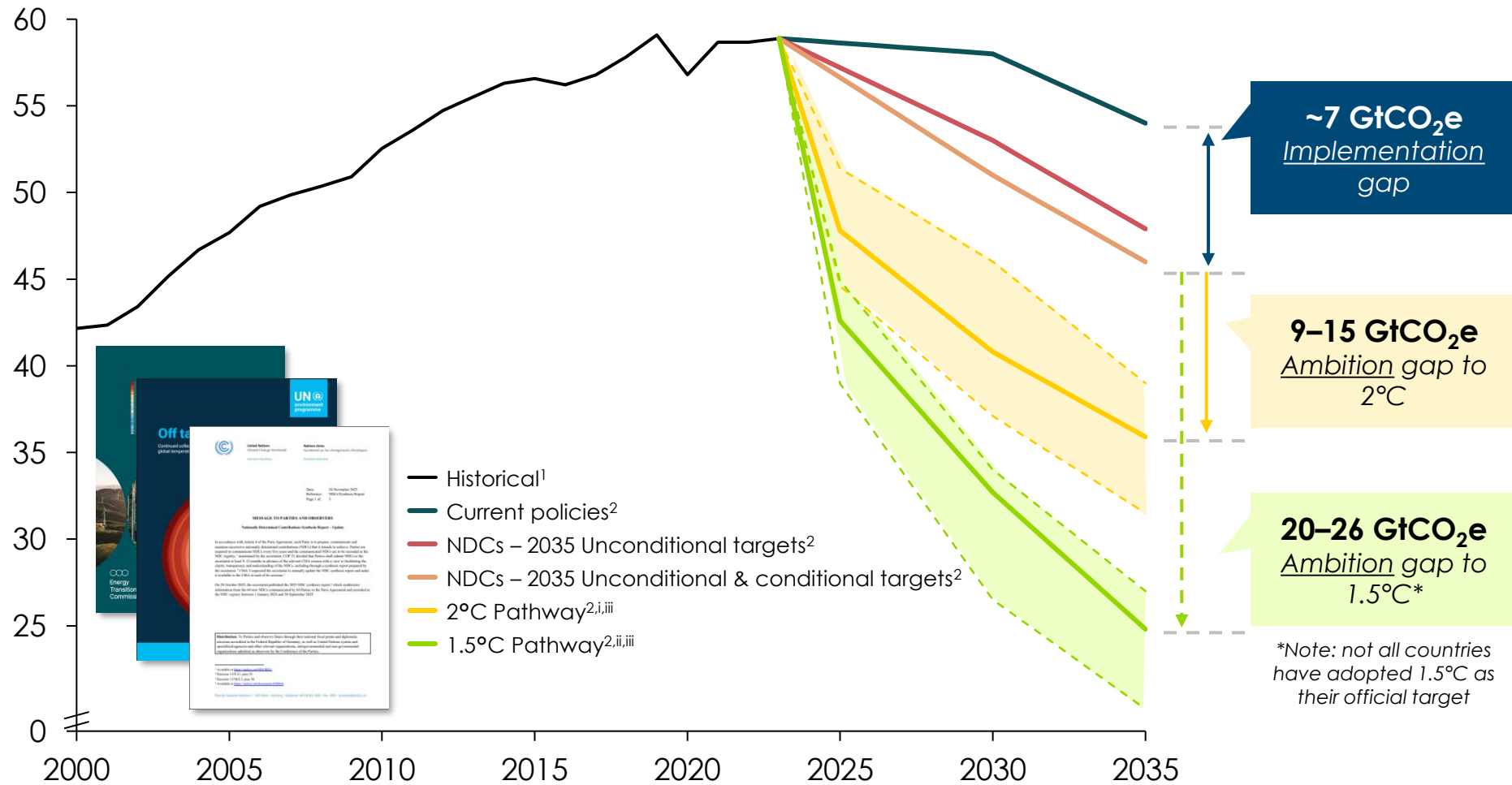
Signposting



Have we seen the last round of Nationally Determined Contributions?

Major economies absent, new pledges fall short of closing the ambition gap

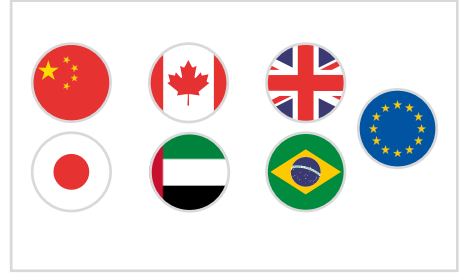
Global GHG emissions



As of 11/03/2026

New submissions
140 (out of 197)

Main submissions



Key missing submissions

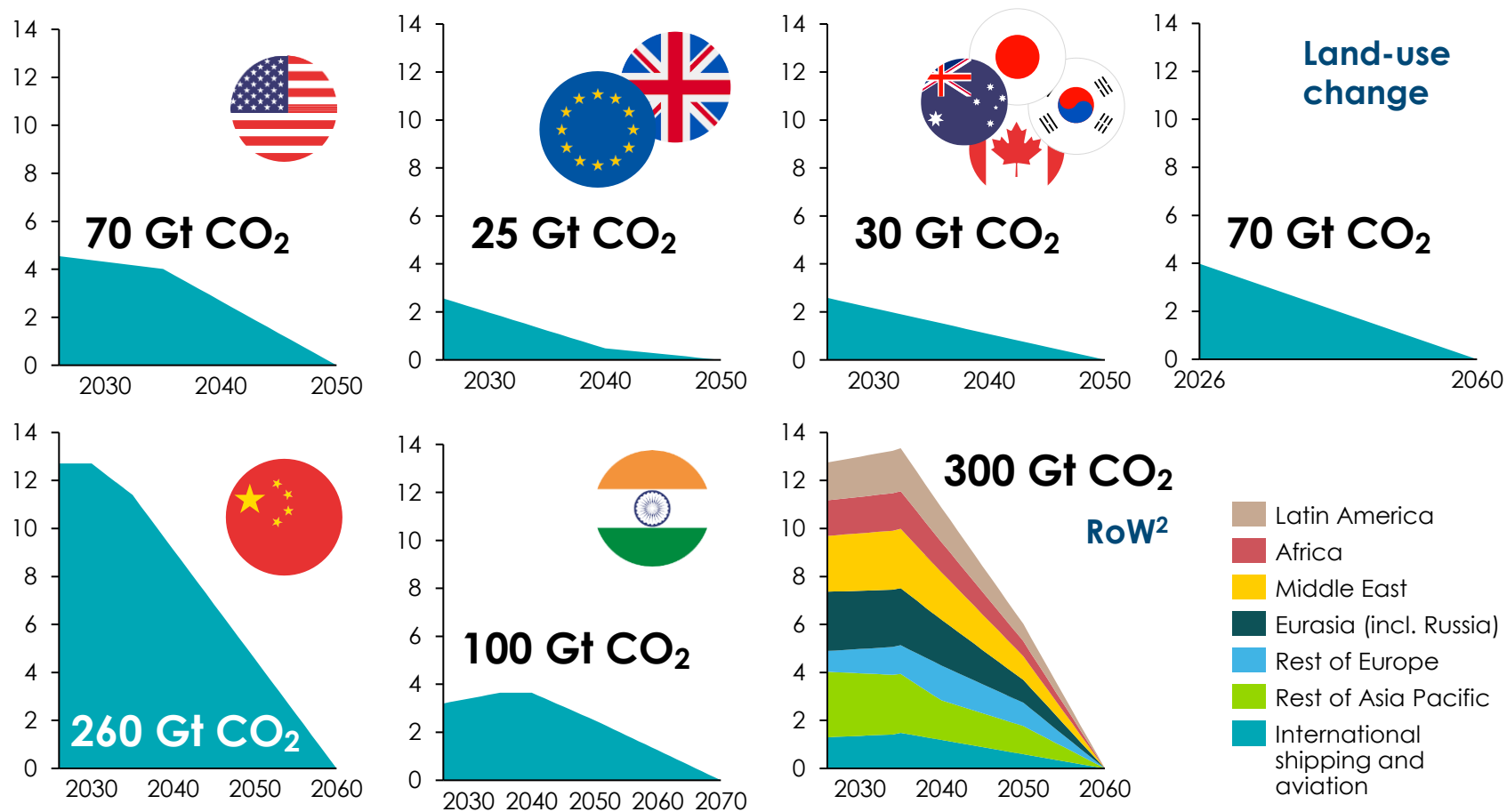


Notes: [i] Based on IPCC Working Group III Sixth Assessment Report scenario class c1 (limit warming to 1.5°C (>50%) with no or limited overshoot). [ii] Based on IPCC Working Group III Sixth Assessment Report scenario class c3 (limit warming to 2°C (>67%)). [iii] Range corresponds to range between tenth and ninetieth percentile, central line corresponds to median.
 Sources: ETC (2024), [Credible Contributions: Bolder Plans for Higher Climate Ambition in the Next Round of NDCs](#). Systemiq analysis for the ETC based on [1] IPCC (2022), Metadata Browser: Data for Figure SPM.5 - Summary for Policymakers of the WGIII Contribution to the IPCC AR6, [2] UNEP (2025), Emissions Gap Report 2025: Off target; Climate Watch NDC Tracker [accessed November 2025]; UN (2025) Nationally Determined Contributions Synthesis Report – Update

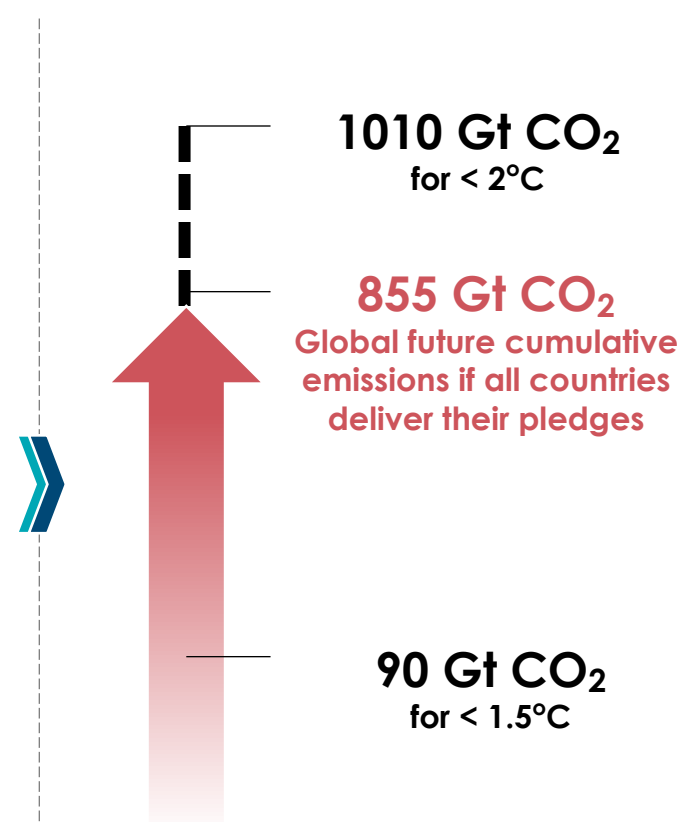
The future of global warming will be decided in Delhi and Beijing as cumulative emissions increasingly shift toward emerging economies

Cumulative CO₂ emissions¹, 2026-2070

GtCO₂



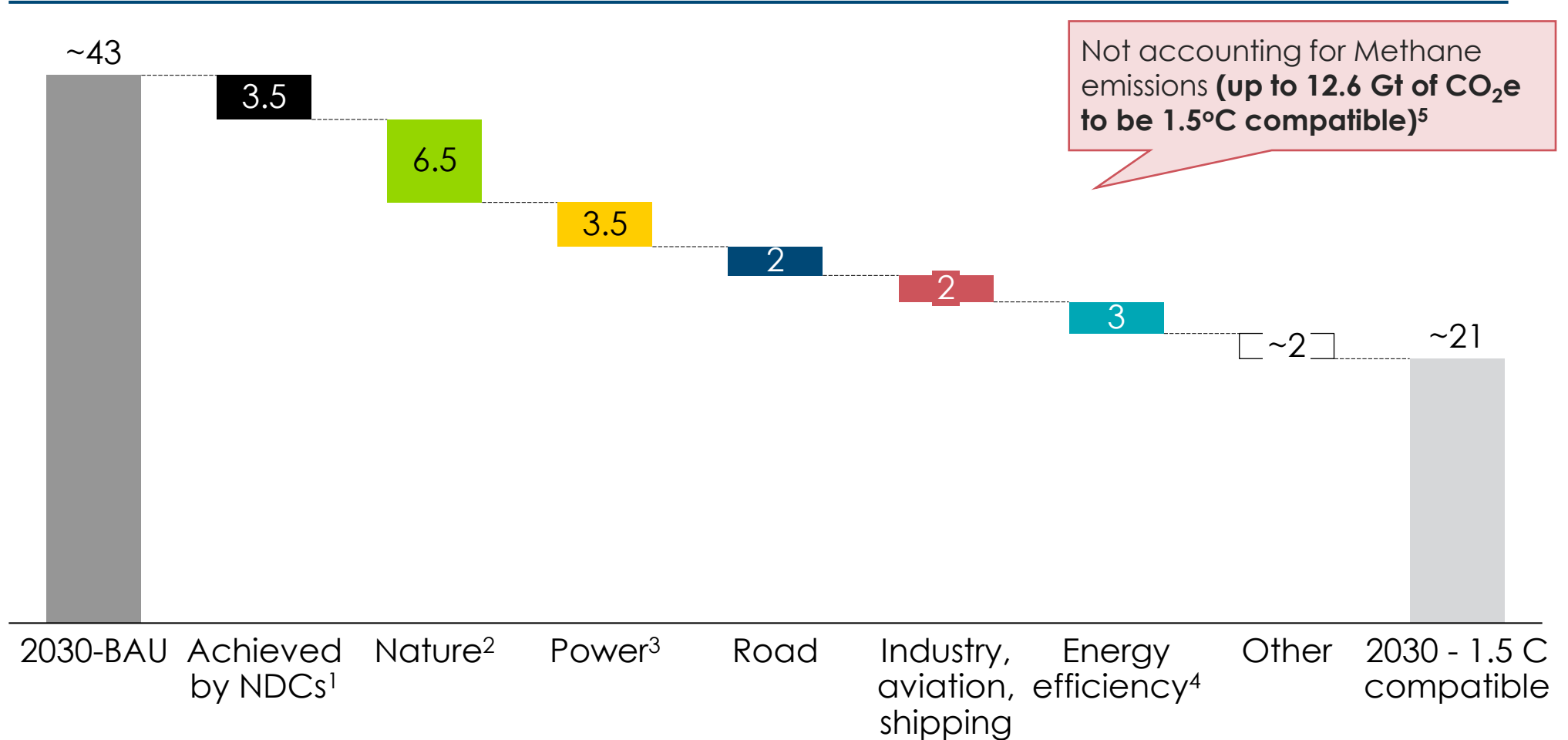
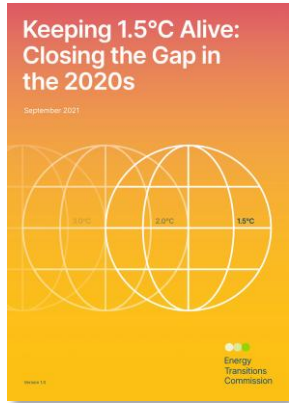
Remaining carbon budget in 2026 for a 50% likelihood



1. Country estimates refers to energy-and industry related emissions; 2. Estimated based on IEA's STEPS until 2035 and then straight lined to 2060
 Source: IEA (2025) World Energy Review; JRC/IEA 2025 Report (2025) GHG emissions of all world countries; Global Carbon Budget (2025) Fossil fuel CO₂ emissions hit record high in 2025; Climate Change Tracker available at: <https://climatechangetracker.org/climate-change-progress/current-remaining-carbon-budget-and-trajectory-till-exhaustion> [Accessed November 2025]

At both COP26 and COP28, the ETC worked with COP presidency to define the actions required to “bridge the gap” and “keep 1.5°C alive”

Global CO₂ emissions
Gt per annum



Note: Potential of levers was scaled down not to overlap with NDCs; (1) 3.5 Gt CO₂ is the estimated carbon dioxide impact of the NDCs, taking the mid-point of the estimated impact range of unconditional (3.3 GtCO₂e) and conditional (4.7 GtCO₂e) commitments; (2) Ending deforestation and carbon dioxide removals; (3) Early coal phase out being the most important lever in power; (4) Includes resource efficiency; (5) Equivalent to 150 Mt CH₄

We now face 4 big “misses” in the 2020s

Required action in 2020s for 1.5°C limit

Early run down of existing coal generation

End of deforestation

Methane emission reduction

Carbon removals



Required reductions in annual emissions (2021-2030)
Gt CO₂e

-3.5



0.2

Actual change in annual emissions (2021-2024)
Gt CO₂e

- Electricity equals 2/3 of coal demand
- China and India lead coal consumption, 2025 might have reached peak

-3.6



0.9

- Global deforestation slowing compared to previous decades, but still 65% higher than the required annual rate

-4.6



-0.1

- Fossil fuel CH₄ intensity down by only 8% in past 3 years
- Bio and agriculture emissions down by 2% in the past 3 years

-3.5



-0.1

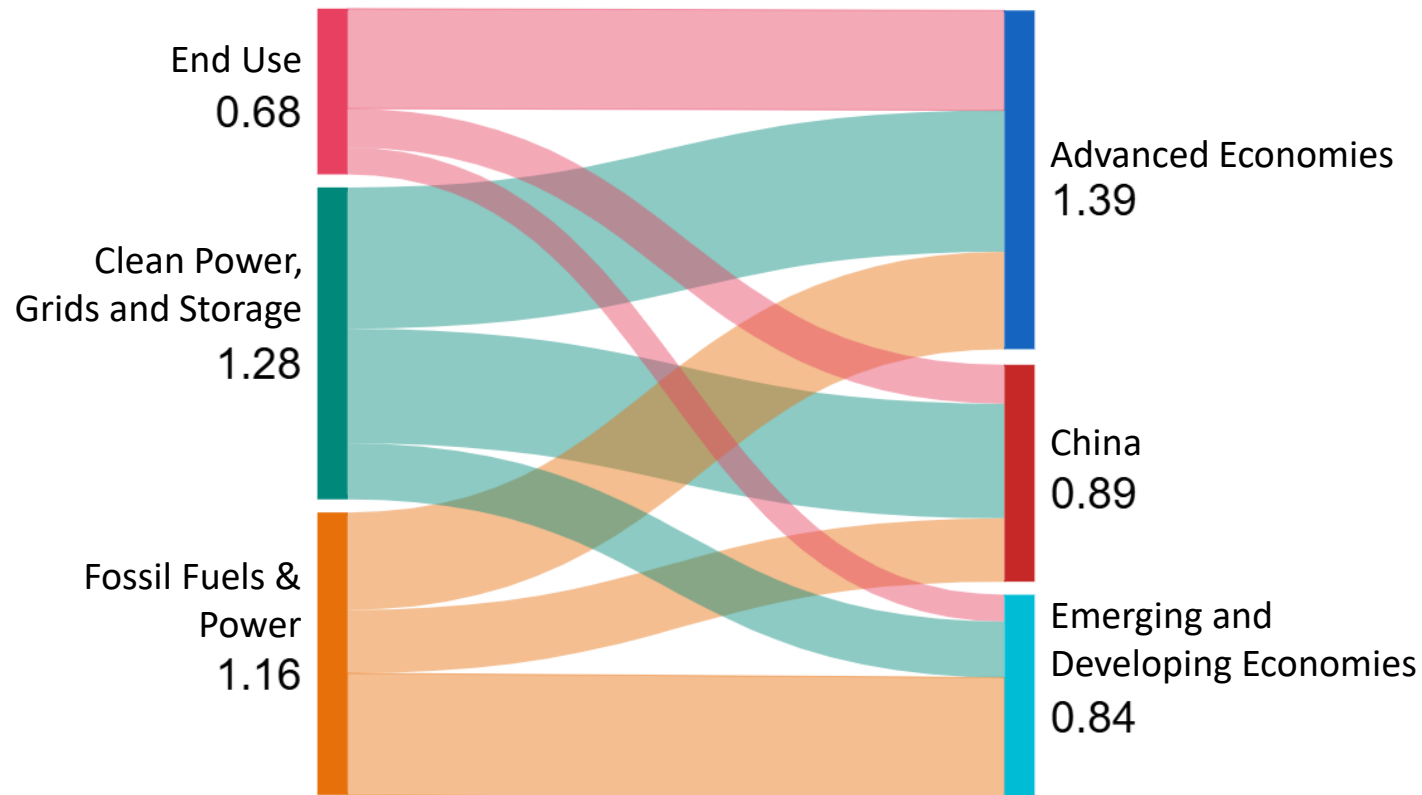
- Massive gap between CDR demand vs. need
- DAC cost pathways revised upwards

Notes: Methane emissions expectations only account for NDCs and Global Methane Pledges commitments; MSCI CDR credit volume calculated by multiplying projected market size (\$) by ETC average cost of carbon removal in each year (\$/tCO₂). Source: ETC (2021) Assessing the commitments from COP26; ETC(2021) Keeping 1.5oC Alive; WRI (2025) Deforestation and Restoration Targets Tracker (Beta); IEA (2025) world Energy Outlook; MSCI Carbon Markets (2025), [Frozen Carbon Credit Market May Thaw as 2030 Gets Closer](#); Crippa M., Guizzardi D., Pagani F., Banja M., Muntean M. et al., GHG emissions of all world countries - 2025 Report, Publications Office of the European Union, Luxembourg, 2025, doi:10.2760/9816914, JRC143227; Global Forest Watch [Accessed Nov 2025].

Finance flow in emerging and developing economies (excl. China) still dominated by fossil fuels

Destination of global energy-related investment spending, 2024

Trillion USD



- **Clean electrification** (end use technologies, grids and clean power) **dominates investment in advanced economies and China**
- **Fossil fuel investment** still strong, particularly in **emerging markets**



Source: IEA (2025) World Energy Investments

Financial institutions have moved away from pursuing strict 1.5°C targets with major alliances have been disbanded or reformed



Over 700 members in 2024

- **Reformed:** dropped requirement to be Paris aligned & publish targets and progress;



325 signatories as of Jan 2024

- Major companies left e.g., Blackrock (2025), Vanguard (2022) & suspended activities on implementation/reporting in Jan 25
- **Reformed** in [early 2026]: move away from 1.5°C target to 'Well below 2°C'



Disbanded in 2025

- HSBC revised internal targets, but remains engaged with GFANZ



Disbanded in 2024



87 signatories as of early 2025

- Minor departures: e.g. QBE (Mar 2025), Munich Re (Jun 2025); no mass exodus
- **Maintained** 1.5°C commitment; members still required to set Paris-aligned targets; expanded target-setting requirements across private assets and transition finance (Mar 2026)

Corporates continue to back long-term Net Zero, but near-term implementation plans are being pushed back



11,000 companies, 25% of global revenue + doubling of Chinese companies in 18 months, BUT:

- 200 high-profile companies delisted (e.g. Microsoft, Unilever) as **unable to meet near term targets**
- Only ~50% of companies on track for Scope 1 or 3 emissions reductions
- New guidance, due this year, to stick to Net Zero by 2050 but no strict temperature pathway



MPP moving beyond the 1.5°C Sector Transition Strategies and FID targets, to focus on **annual increase on clean industry projects pipeline**



An acceleration on **some level of greenwashing** by corporates to **avoid public scrutiny over climate pledges**, but many continue to focus on implementation



Major O&G dialling back on climate targets due to a slow phase out of FF

- **Shell** removed 2035 target to reduce product emissions by 45% (though maintaining commitment of minus 15-20% by 2030) while remaining committed to long term net zero
- **BP** removed targets to 2030 and ramp-up fossil fuel investments

Source: Press releases; SBTi (2025) SBTi Trend Tracker. Shell (2024) Energy Transition Update. PWC (2025) PwC's Second Annual State of Decarbonization report. PWC (2025): 73% of companies on track for Scope 2; 46% on track for Scope 1; 54% for scope 3; MPP website – Our Approach (Accessed January 2026); BBC (2025) 'Greenwashing': Are businesses staying silent about climate pledges?

Debate on GHG accounting risks splintering or slowing corporate action

Legacy GHG Protocol (Activity-based)

- **Scopes 1, 2, and 3 categorize direct and indirect emissions using activity data** (fuel, electricity, supply chain).
- **Enables comparability**, yet challenged by Scope 3 data quality and limited linkage to outcomes due to levels of complexity in supply chains
- **Established system over past 20+ years**, but no way around the fact that there is **double counting in Scope 3** (e.g. Automakers scope 3 = steelmakers scope 1)

Carbon Measures (Product based)

- **Shifts focus to climate impact of outputs/products**, emphasizing avoided emissions and system-wide effects (market displacement, long-term decarbonisation contributions) – though product level doesn't then include emissions from products (e.g. fuel burnt in vehicles)
- Emissions are treated as **transferable liabilities** that flow through the value chain as products and services move downstream.
- Each firm maintains an **emissions ledger** recording both its own direct emissions and the *embedded emissions* inherited from suppliers. This system aims to **eliminate double counting** and create **more accurate, comparable, product-level data** than GHG Protocol methods.



CARBON MEASURES

Actions that Count

Implications: proposed system has some benefits, but also proposes major changes to system at a delicate time for Net Zero commitments. Would avoid double counting but also release major emitters from Scope 3 responsibilities.



Climate's position in the public debate has changed dramatically

General Public

- Cost of living, energy prices and local issues front and centre of mainstream debate
- Terminology - 'net zero' - has become politicised and unhelpful

Governments & Businesses

- Political saliency of climate challenged by other issues
Geopolitical volatility
- Identity politics increases scrutiny and risk in active climate communication – greenhushing increases

Media and social media

- Media is becoming more partisan on climate - and actively reducing reporting teams
- Ideology trumps 'facts'



Business | Eyes on the prize

The remarkable rise of “greenhushing”

The Economist

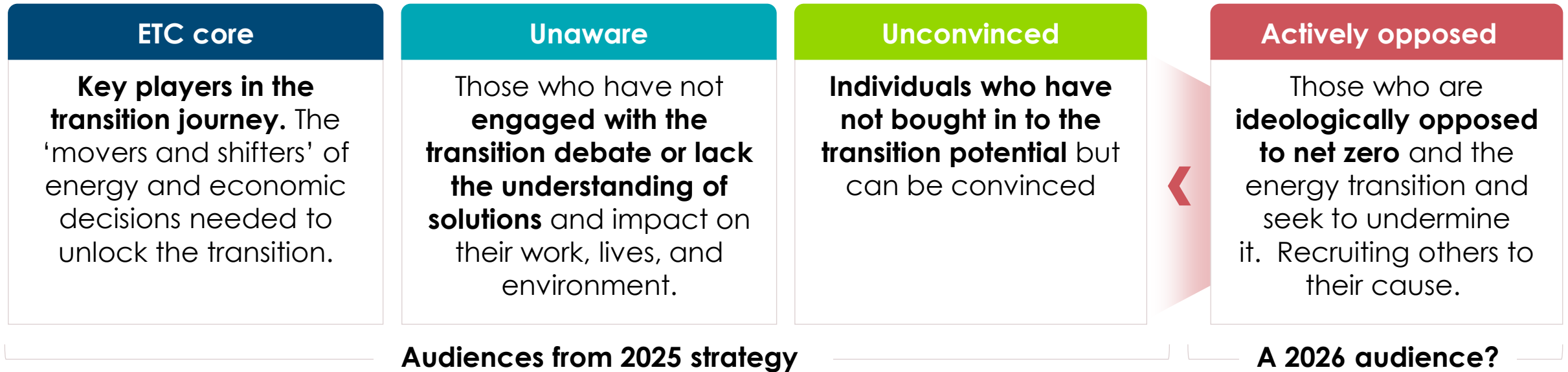
Businesses once trumpeted their climate goals. Now they are quietly plugging away



Source: Edelman Trust Barometer (2026); DESNZ Public Attitudes Tracker: Net Zero and climate change (Summer 2025); Yale Program on Climate Change Communication (2024) Yale Experts Explain the Politics of Climate Change; Joseph Rowntree Foundation (2025), Economic security as Labour's electoral foundation; StanfordReport (2024), Partisanship sways news consumers more than the truth, new study shows; ECI Oxford University (2025), Climate journalism in flux: Navigating crisis, innovation, and misinformation in the age of AI.

Confidential

And audiences are evolving ...



Countering the actively opposed matters....

*"Politicians are far more responsive to broad public opinion than they are to lobbyists or interest groups. When many ordinary voters favour or oppose a proposal, politicians tend to take positions that mirror that opinion - and they are **much less likely to be swayed by special interests** unless ideological alignment exists."*

Kings College London



Our information landscape is being fundamentally transformed

Platforms over publishers

Traditional media economics are in decline

“Economic pressures and newsroom cuts had **reduced specialist environmental reporters**, and full-time climate correspondents were unusual.”



News deserts hit new high and 50 million have limited access to local news, study finds

Federal funding cuts to public broadcasting may accelerate local news crisis

Northwestern

Media fragmentation:

Broader range of smaller circulation platforms

For the first time, social media overtakes TV as Americans’ top news source

NiemanLab



GEO over SEO:

AI redefining content and search

80% of consumers now rely on AI summaries for at least 40% of their searches, reducing traditional website clicks by up to 25%.

BAIN & COMPANY



And some opposing actors are better resourced and using more aggressive tactics

Digital Investment/Capability

Fossil Fuel Groups 'Spent Millions' on Social Media Ads Spreading Climate Disinformation During COP27



*"Denialism has been mainstreamed in public life, and we're now seeing increased investment to push *'false gods' that sound good while maintaining the status quo. Such content... erodes trust in institutions and ... is actively enabled by tech platforms."*



UK PR firms increased fossil fuels lobbying since Paris Agreement



Media manipulation tactics

- Amplifying mis- and disinformation
- Harassment of climate scientists and journalists
- False dramatised policies created to drum up anger against 'woke climate lobby'
- Manipulating trending and ranking algorithms



🚨😂😂😂 it didn't happen? Alarmists doing what they do best-**alarm**. Scare people to death. Capture the attention of social media. Earn handsomely from them donations and grants as they preach doom. At the end of the day, none of it comes to pass. [#ClimateScam x.com/GretaThunberg/...](#)



Trump claims 'money-losing windmills' to blame for Europe's economic decline



"Astroturfing"



Discussion: Comments & Reflections



30' Break



Agenda

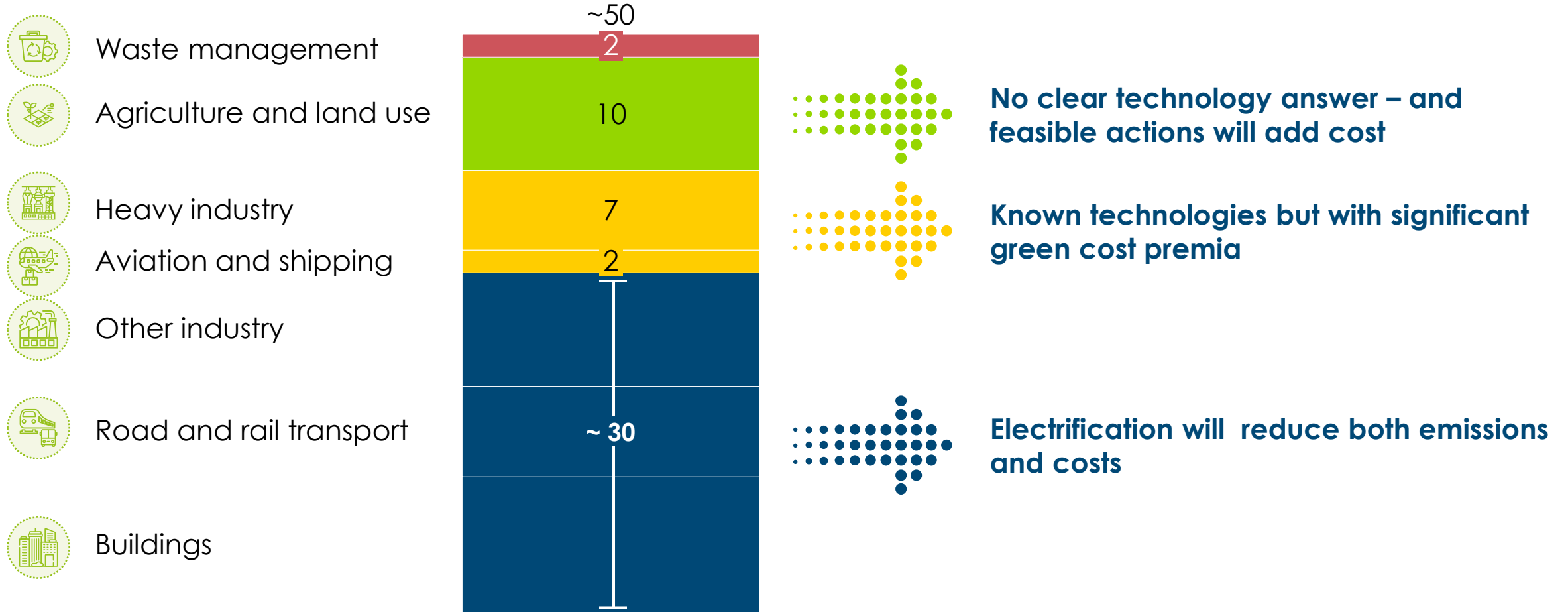
- Current geopolitical landscape and implications for key regional transitions
- The state of multilateral climate diplomacy, corporate action and public debate
- **Where does this leave us: Between Fragmentation and Acceleration**
- How does ETC respond: a tactical plan for 2026



Clean electrification will be able to abate ~60% of GHG emissions, with the remainder being tackled by more costly solutions

GHG emissions by broad sector

Gt CO_{2eq}



Source: Systemiq analysis for the ETC; EDGAR (2025) Community GHG Database; ETC (2021) Keeping 1.5°C Alive

While ambition debates stall, deployment in the real economy keeps accelerating

Low/zero carbon power



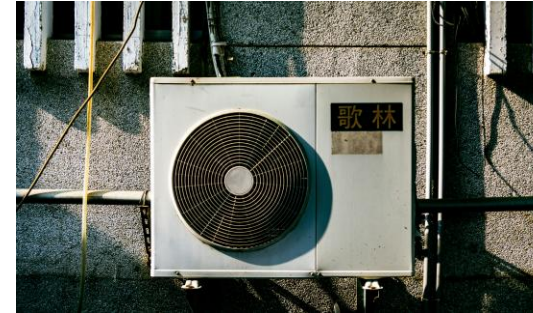
- Renewables growth outpaced global electricity demand growth by 10%
- **Renewables, led by solar generation, overtake coal** as the world's largest source of electricity

Road transport electrification



- **EVs made ~25% of all car sales in 2025**; for the first time: EVs surpassed ICE sales in the EU and electric trucks outsold gas-power ones in China
- Emerging markets are leapfrogging developed markets with higher shares of EV sales in passengers' cars

Residential heat electrification



- **Heat pump sales fell by 1% in 2024** mostly due to slow down in Chinese market; but outsold gas boilers in the US by 30%
- **In H1 2025**, heat pump sales grew by 9% in the EU and 7% in the UK

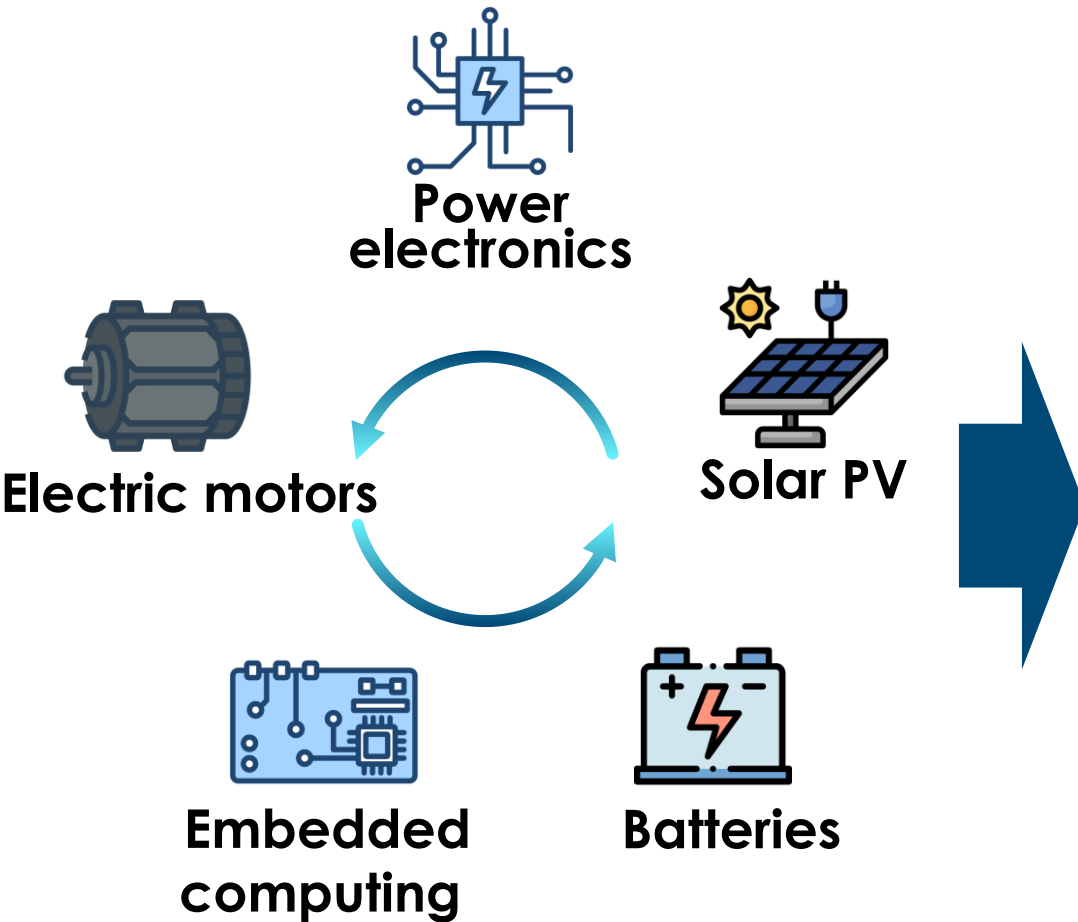
Hard to electrify sectors



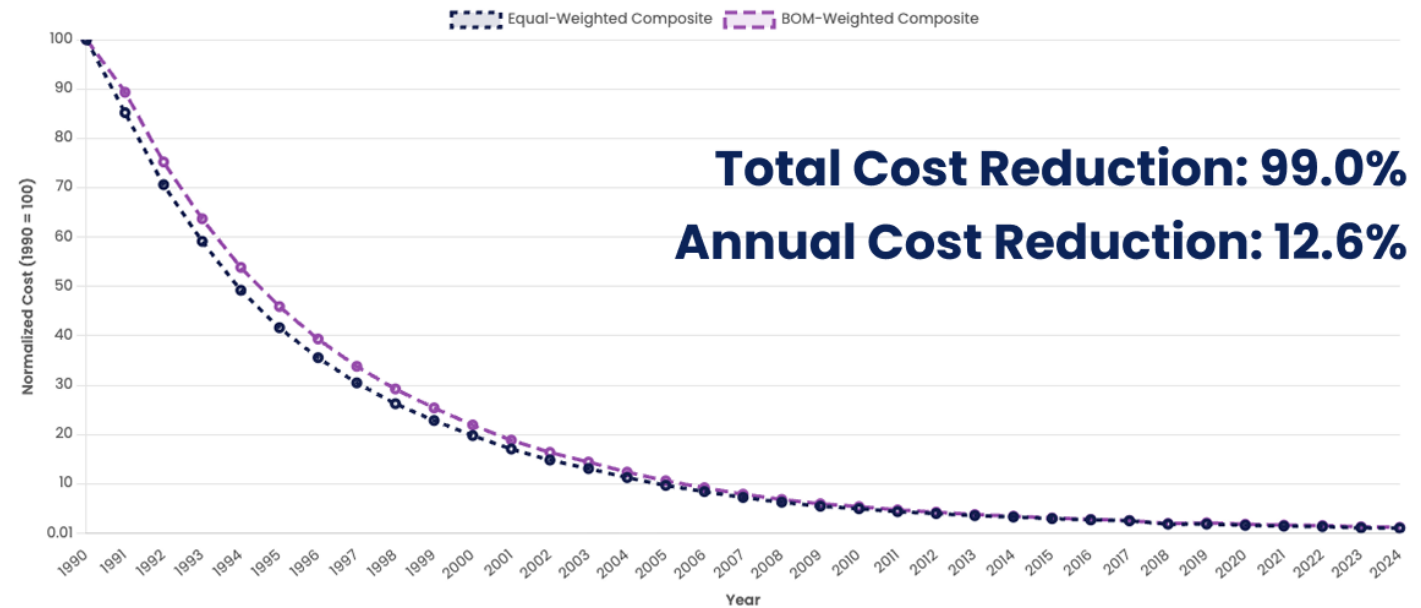
- **2 Trillion USD estimated pipeline of heavy-industry and long-distance transportation projects**, with 90% not yet at FID phase
- Over half of new projects now in Sunbelt (including EMDEs), driven by cheap renewables, national incentives.

Source: IEA (2025) World Energy Review; MPP Global Project Tracker (updated Nov 2025). For per sector sources, products in scope and technologies in scope please refer to MPP Global Project Tracker; Ember (2025) Global Electricity Mid-Year Insights 2025; Carbon Brief (2026) EVs just outsold petrol cars in EU for first time ever; Ember (2025) The EV leapfrog

The electro tech stack: a self reinforcing positive loop



The Electric Slide



Batteries 98.8% (12.5% per year)	Motors 97.5% (10.3% per year)	Power Electronics 99.5% (14.5% per year)	Embedded Compute 100.0% (23.0% per year)	Equal-Weight 99.0% (12.6% per year)	BOM-Weight 98.8% (12.2% per year)
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All data is normalized to 1990 = 100 (or the first available year for each technology)

not boring

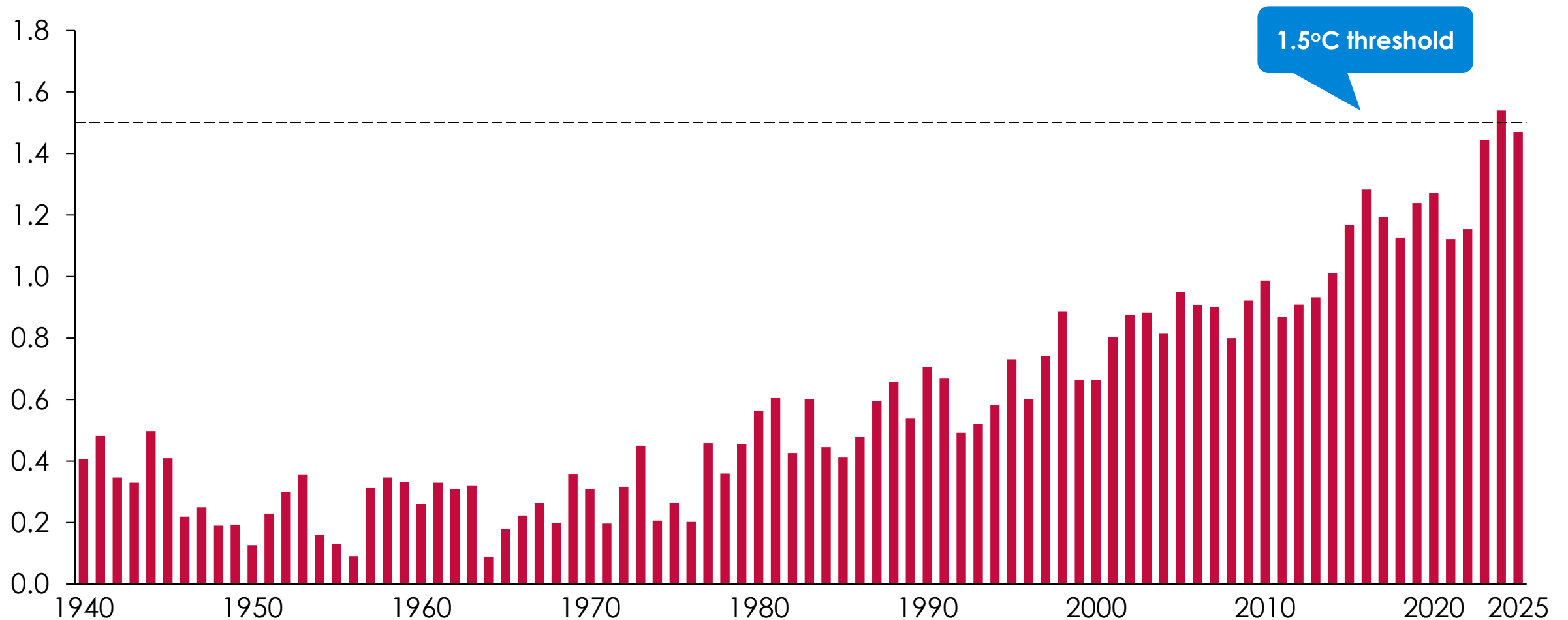
Costs fall as deployment increases, further increasing deployment. Innovation across electrical components makes electric systems – wind turbines, solar installations, storage – and electronic applications (e.g. robotics) continually cheaper and more efficient.



2024 saw an annual increase of 1.5°C in global temperatures above pre-industrial levels for the first time

Global surface temperature increase above pre-industrial

°C above pre-industrial levels; Reference period: pre-industrial (1850-1900)



Source: Copernicus (Accessed Jan 2026), Global climate highlights 2024, NOAA global temperature

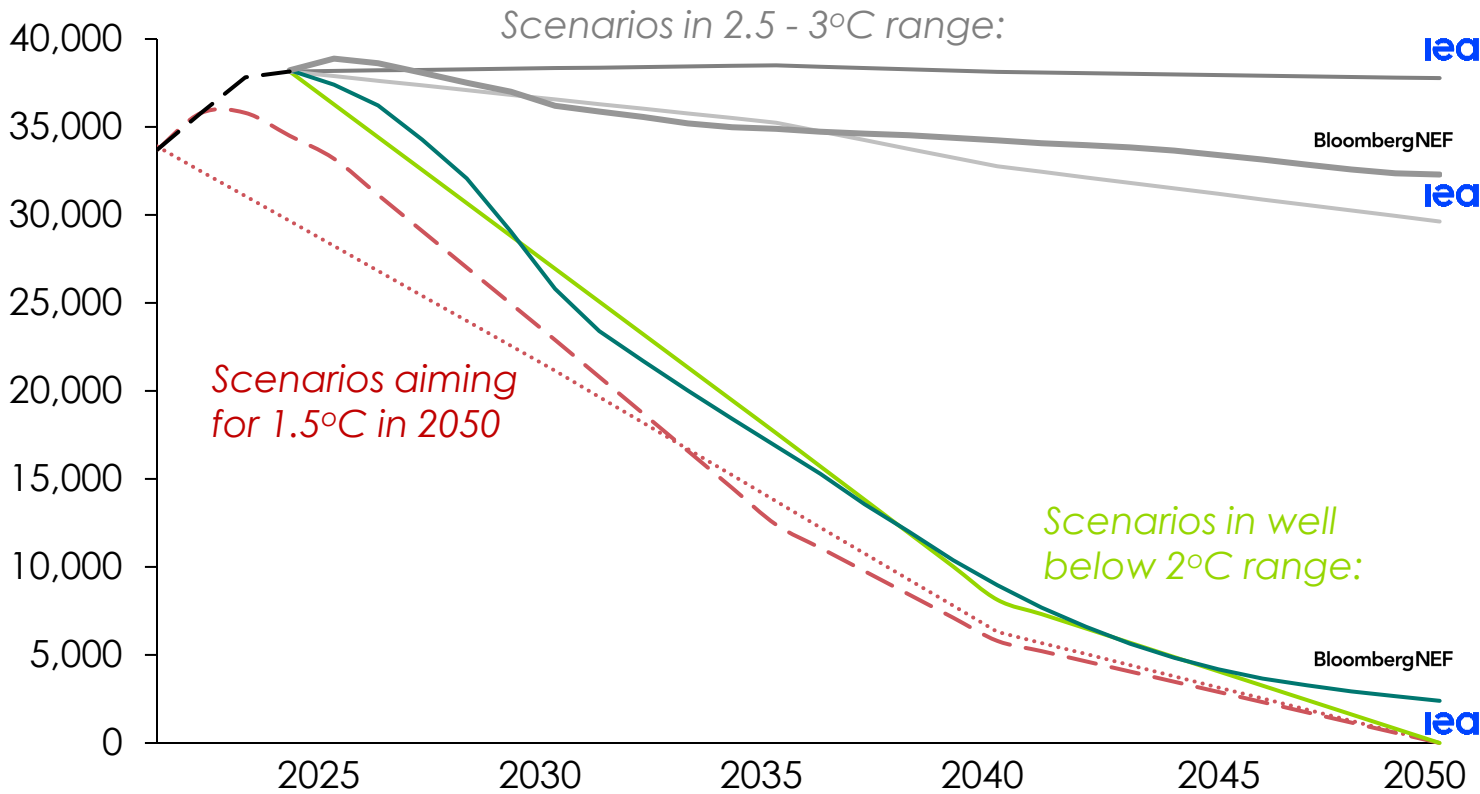
Confidential

Latest projections note some level of overshoot to 1.5°C and well below 2°C still possible, but current momentum heading for 2.5-3°C

Energy related CO₂ emissions

Mt CO₂

— Historical
 — BNEF NZ 2024
 — IEA CPS 2025
 — IEA NZ 2024
— BNEF ETS 2025
 — IEA STEPS 2025
 — IEA NZ 2025
 ⋯ IEA NZ 2021



Peak temperature in the 21st century with related probability

- IEA's 2021 and 2024 **Net-Zero scenarios** aimed to limit to 1.5°C in 2050; **2025 update reaches 1.65°C in 2050**, coming back to 1.5°C by 2100
- We have **yet to reach peak emissions**: CO₂ still grew at 0.8% in 2024. Latest update reflects, **slower pace of transition** in early years.
- **Unlike IEA, BNEF Net Zero doesn't assume reliance on removals post-2050**

Source: IEA (2021) Net Zero by 2050; IEA (2024) A Net Zero Roadmap; IEA (2024) World Energy Outlook; IEA (2025) Global Energy Review; BNEF (2025) New Energy Outlook
 Note: IEA Scenarios have emissions interpolated between 5-10 years; BNEF scenarios only accounts for Energy Sector and Industrial process emissions, to compare against IEA's scenarios, remaining emissions from comparable scenarios from IEA were added to BNEF scenarios (i.e. BNEF ETS 2025 was adjusted according to IEA STEPS 2025, and BNEF NZ 2024 was adjusted according to IEA NZ 2025)



What's at stake? Countries risk stepping back from the Paris Climate Agreement and boards retreating from climate commitments all together

AT STAKE for the world



AT RISK in board decisions



What

Overall climate ambition
Well Below 2°C, pursuing efforts to 1.5°C

Corporate and financial net zero targets, and near term actions

Why

As 1.5°C without overshoot slips away, action lacks an anchor

Can't act without confidence in credible pathway, and conviction of shared momentum with others

What might address

Collective restatement of confidence in high ambition action

Clarity on pace of feasible progress, credible pathways and pipelines, incl. where actions are in the money today and those that require policy or collective enabling conditions



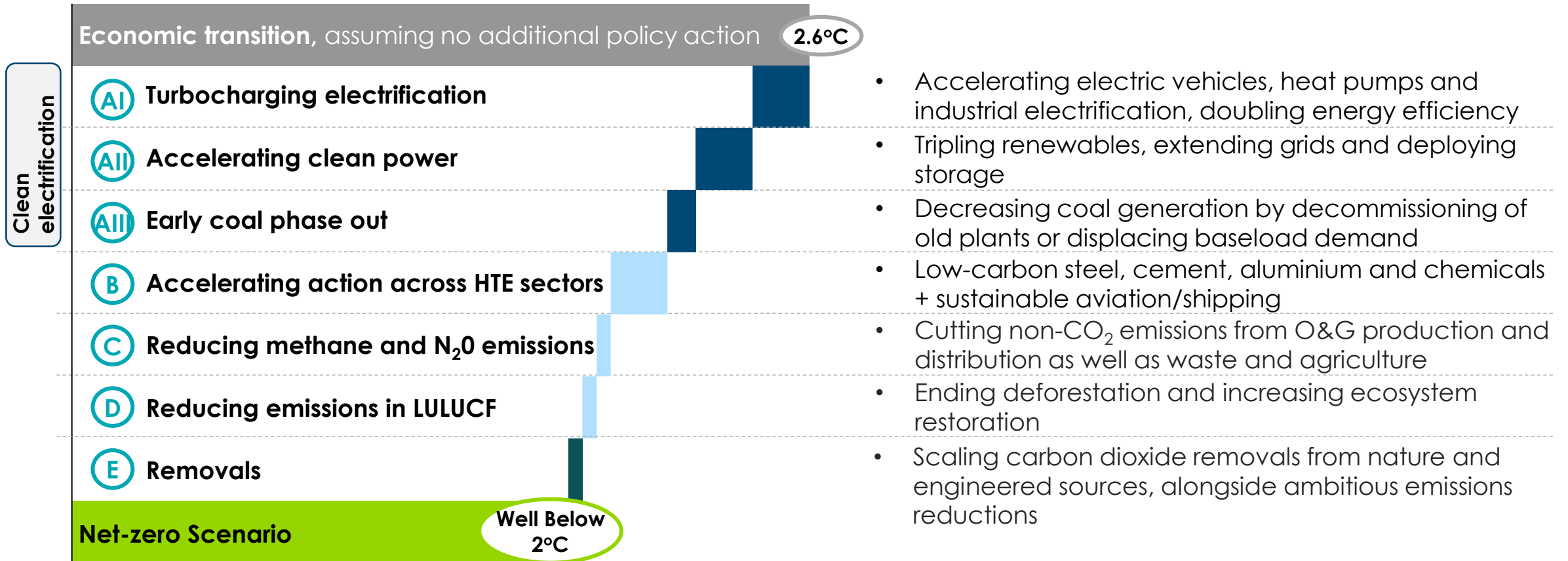
We will clearly identify the core 'blocks' of emissions reductions that are needed to deliver temperatures closer to Paris objectives

Illustrative

Peak warming in the 21st century and key mitigation areas

°C

Key levers of change



Note: LULUCF = Land Use, Land Use Change and Forestry

We will highlight the costs – where mitigation is costless, it will need accelerated investment or will have a cost premium to be absorbed

Illustrative

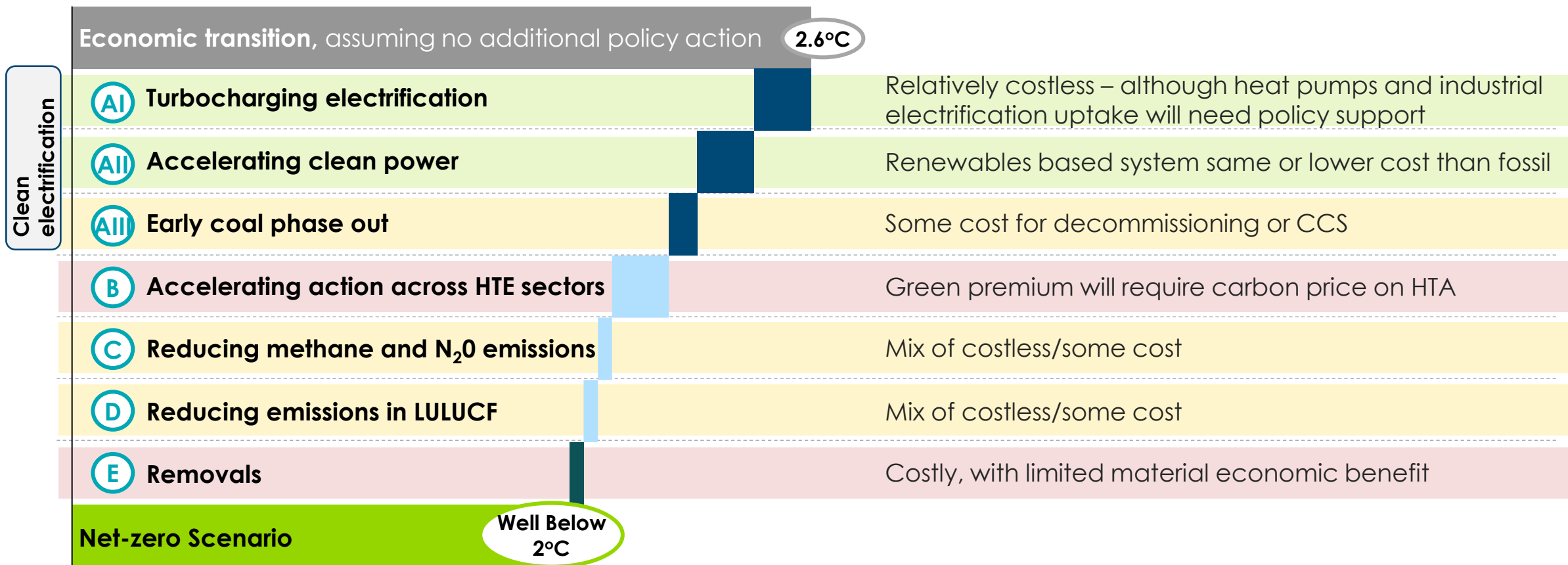
Peak warming in the 21st century and key mitigation areas

°C

Relative cost of action

Key

No cost or cheaper than alternative
Some cost
Clear cost



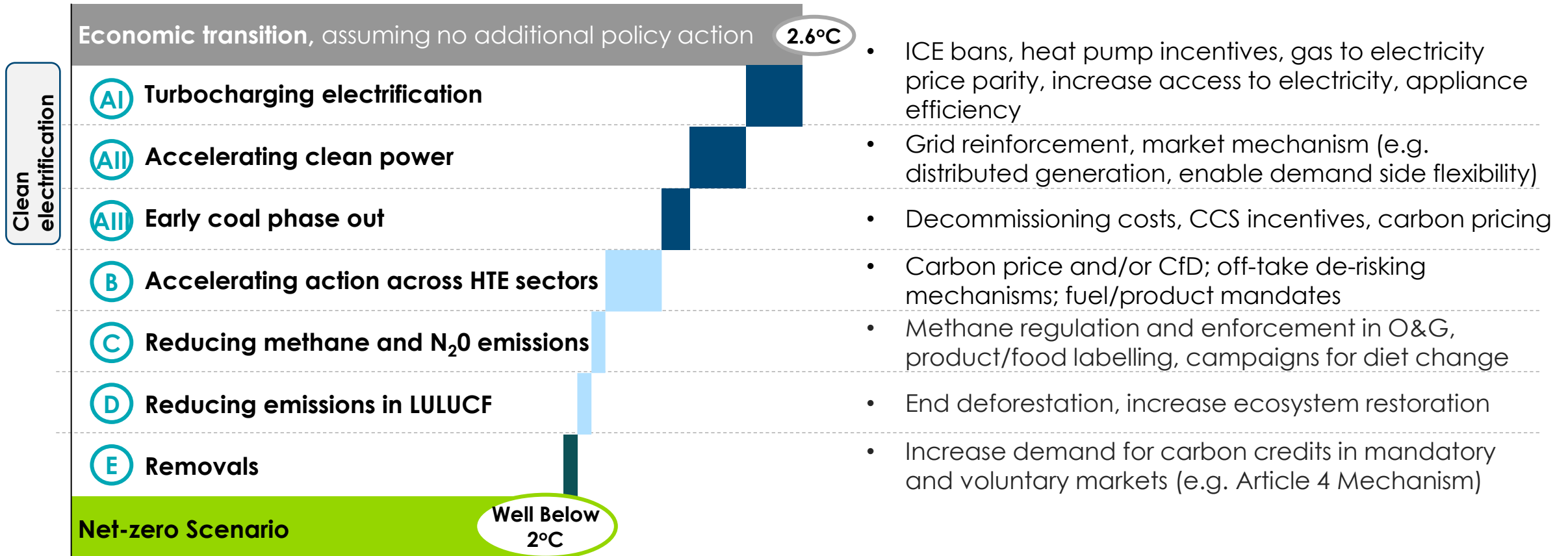
Note: LULUCF = Land Use, Land Use Change and Forestry

...and highlight the critical actions that are required to deliver these reductions – including climate policy

Illustrative & to be iterated in engagement phase

Peak warming in the 21st century and key mitigation areas
°C

Key public policies to analyse



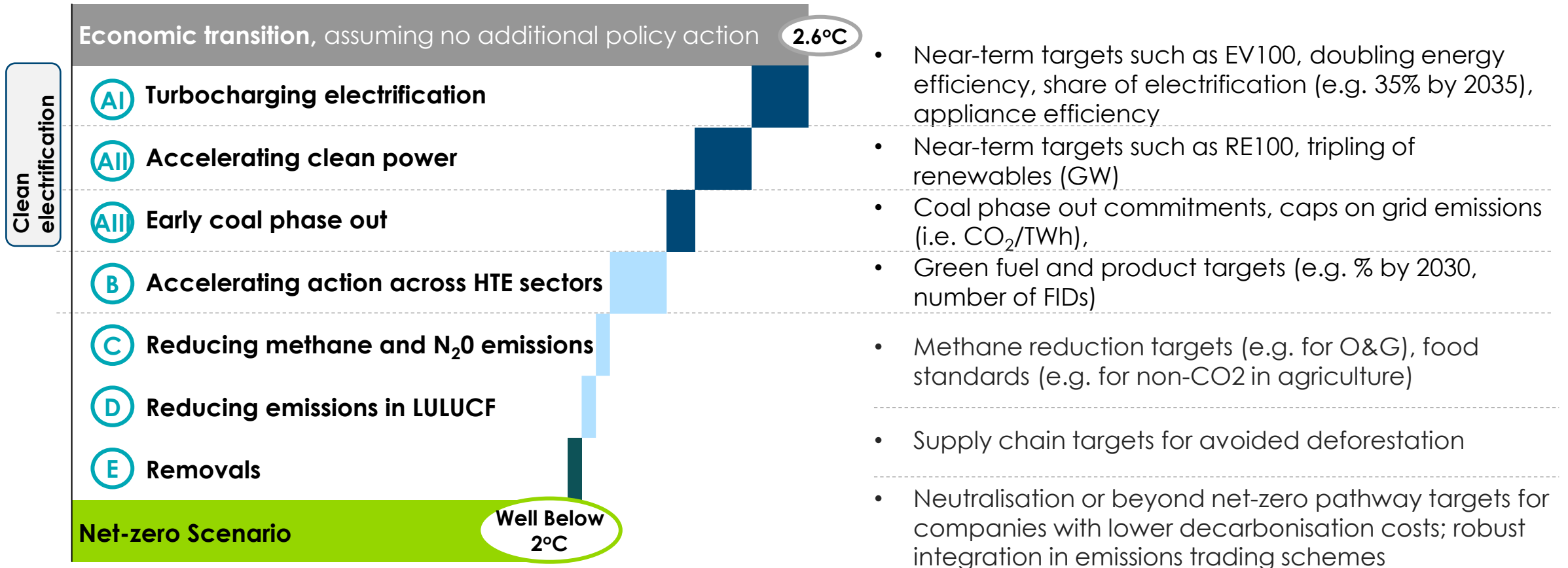
Note: LULUCF = Land Use, Land Use Change and Forestry

...Finally, we will seek to test, refine & seed ownership of the required near-term actions & targets that put the world on track

Illustrative & to be iterated in engagement phase

Peak warming in the 21st century and key mitigation areas
°C

Required targets (to be developed further)



- Near-term targets such as EV100, doubling energy efficiency, share of electrification (e.g. 35% by 2035), appliance efficiency
- Near-term targets such as RE100, tripling of renewables (GW)
- Coal phase out commitments, caps on grid emissions (i.e. CO₂/TWh),
- Green fuel and product targets (e.g. % by 2030, number of FIDs)
- Methane reduction targets (e.g. for O&G), food standards (e.g. for non-CO₂ in agriculture)
- Supply chain targets for avoided deforestation
- Neutralisation or beyond net-zero pathway targets for companies with lower decarbonisation costs; robust integration in emissions trading schemes

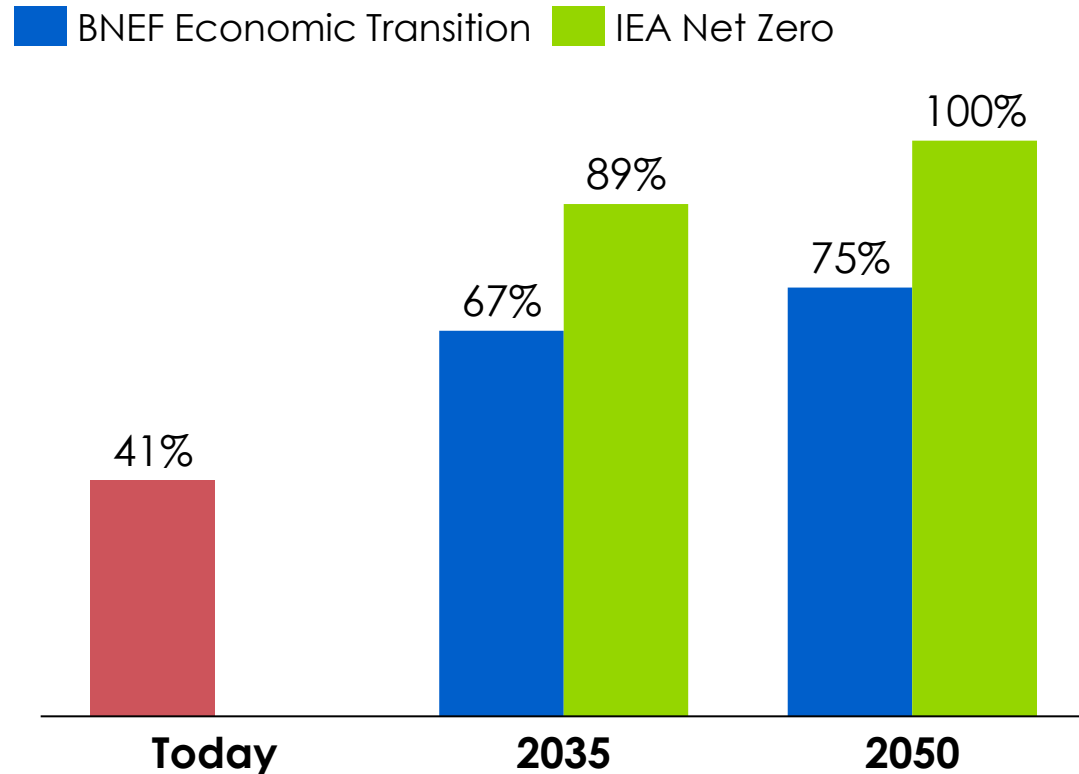


Note: LULUCF = Land Use, Land Use Change and Forestry

Limiting warming to well below 2°C requires frontloading power sector decarbonisation while meeting rapidly growing electricity demand

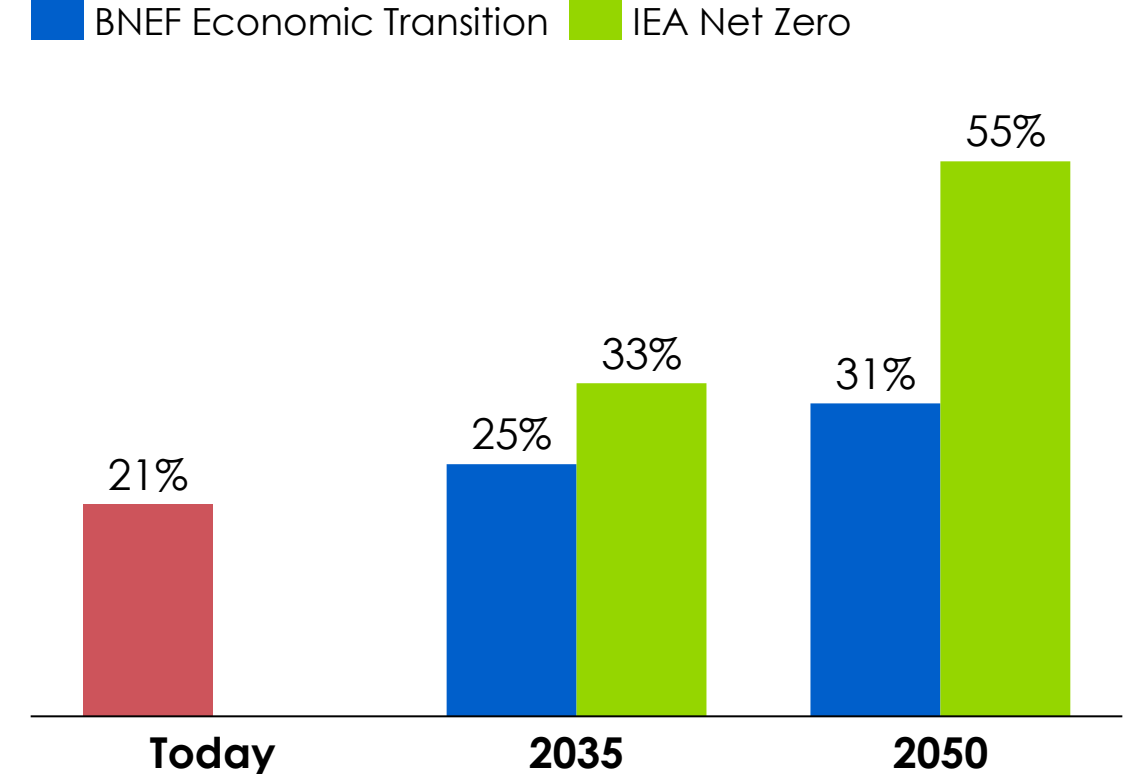
Clean Generation as share of Electricity Supply

%



Electricity as share of Energy Demand

%

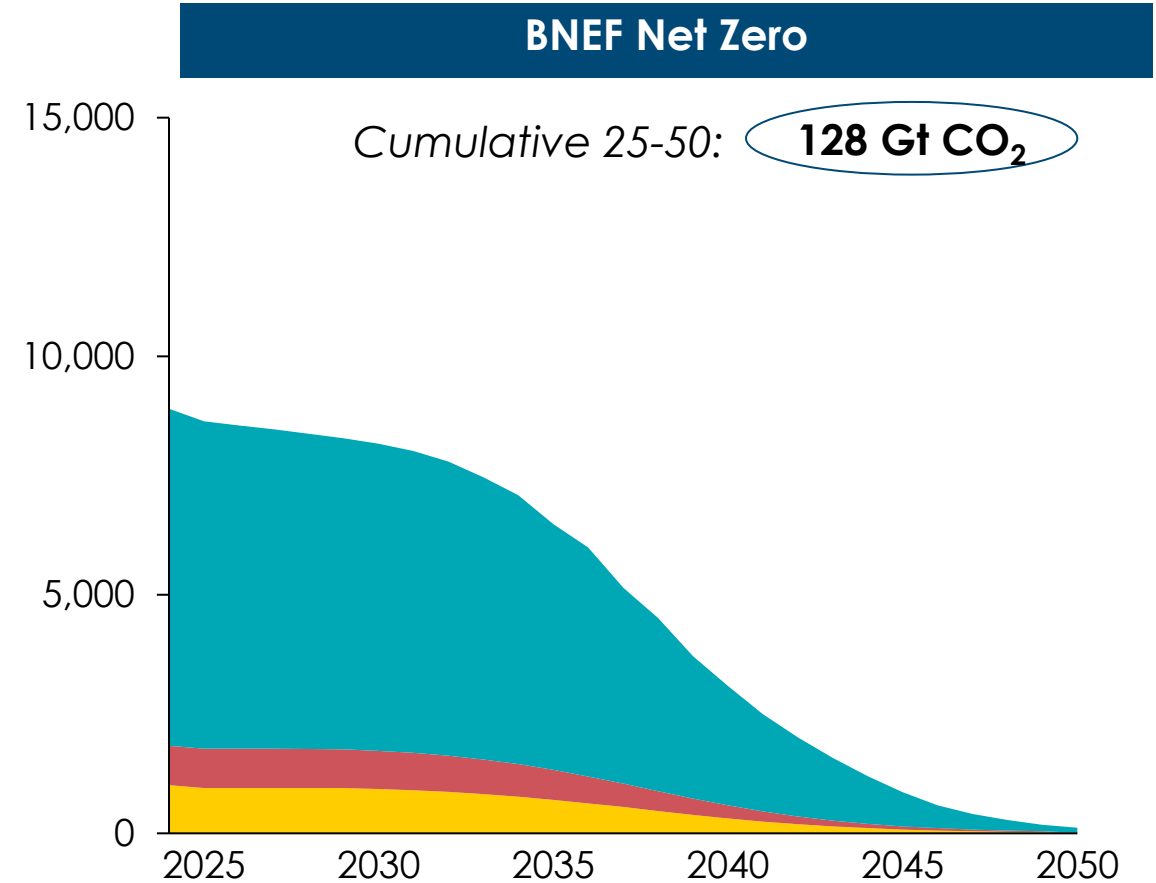
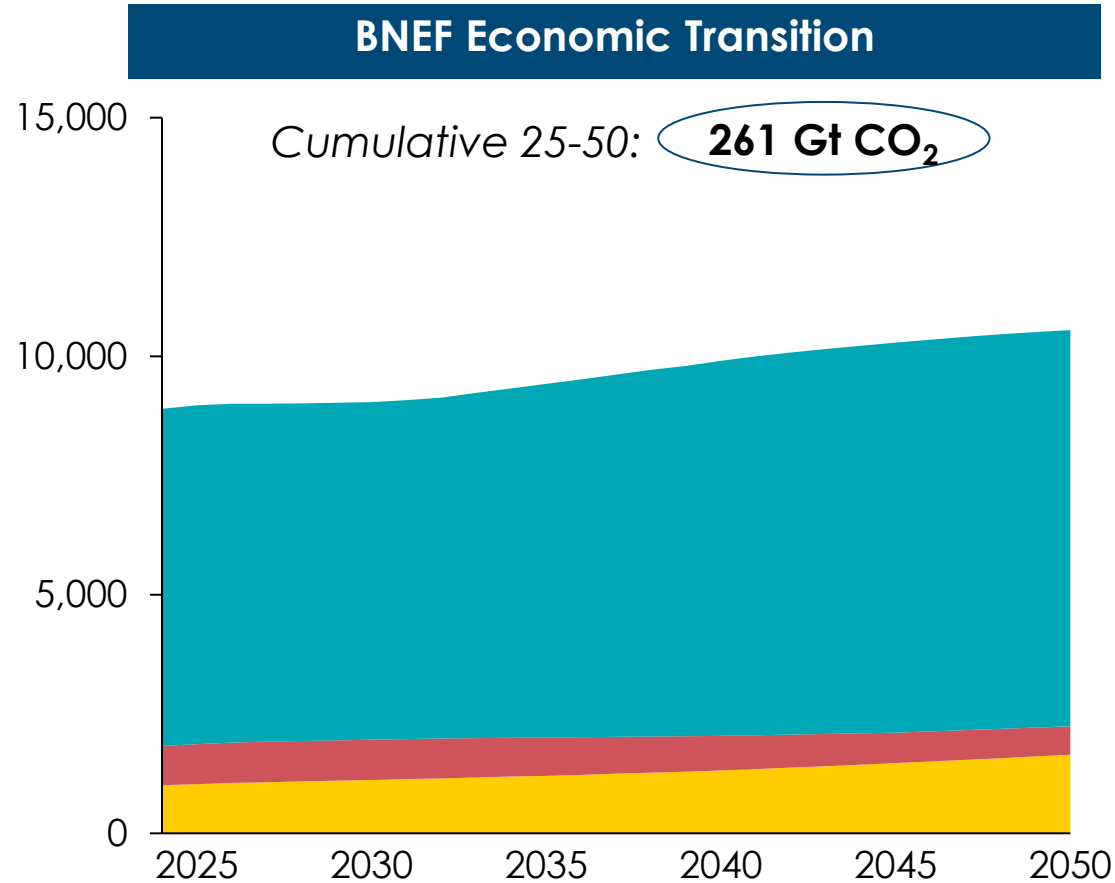


Source: IEA(2025) World Energy Outlook; BNEF (2025), New Energy Outlook 2025.

Decarbonising hard-to-electrify sectors cannot be deferred to mid-century, as early action is need to reduce ~130 Gt of cumulative CO₂ emissions

Emissions from Hard to Electrify sectors, BNEF scenarios
Gt CO₂

Heavy-industry Shipping Aviation



Source: : BNEF (2025), New Energy Outlook 2025.

Agenda

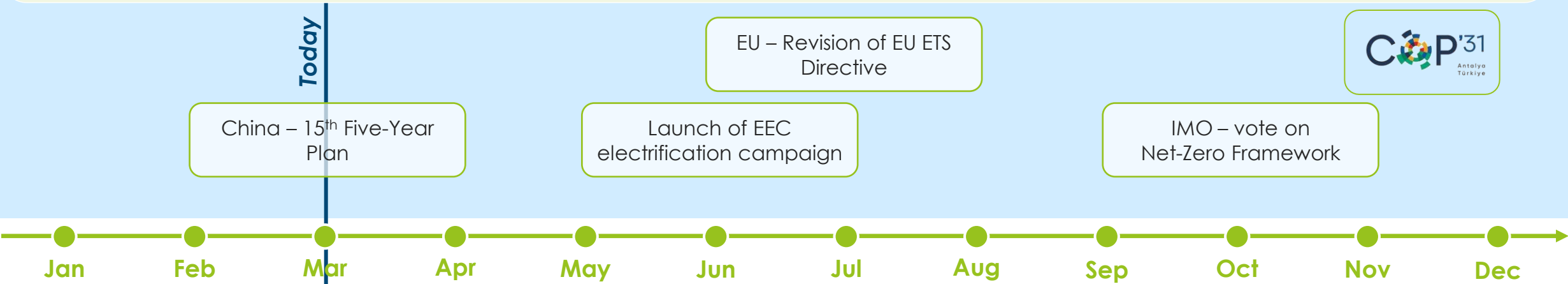
- Current geopolitical landscape and implications for key regional transitions
- The state of multilateral climate diplomacy, corporate action and public debate
- Where does this leave us: between fragmentation and acceleration
- **How does ETC respond: a tactical plan for 2026**
 - **Overall work programme**
 - Refreshing communications strategy



Key moments and events in 2026

WIP – travel dates not yet 100% confirmed

Selected Moments



Ita in India

Adair in China



Adair in Australia & China



CERAWeek[®]
by S&P Global

Adair in SE Asia -
Ecoprosperty



Jules in
Middle East



EVENTS



ETC 2026 work programme: focus on re-anchoring climate ambition, clarifying global priorities and engaging with key stakeholders

Building the clean energy system faster

Protecting the Paris climate agreement

Clean Electrification

Role of firm low-carbon power: Nuclear & Geothermal

Accelerating global clean power systems: demand growth, Sunbelt opportunity, role of gas, wind



Hard to electrify sectors:
Carbon pricing

Energy productivity in the energy intensive industries



Economics of the transition

Molecules

Carbon molecules:
Innovation briefs, circular carbon & transition implementation

Hydrogen:
re-assessing the fundamentals



State of the Transition

Annual energy transition stocktake on global, regional and sectoral progress, highlighting opportunities and blockers to overcome.



Extending our influence in the global climate debate

Continuing core priorities in parallel with communications strategy evolution

Disseminating ETC insights & recommendations



Leveraging existing knowledge



Informing the influencers



Delivering action through future COPs

Triple up,
double down,
phase down



COP 31:
Protecting Paris
+ clean
electrification



Building the ETC regional network

New engagements with



Enhance networks and local priorities



Share insights & best practice



Supporting the ETC members

Meetings



Analysis



Resources



Events



Supporting the MPP and the ITA



MISSION
POSSIBLE
PARTNERSHIP



ETC's regional programme will continue to reinforce strong local action

Key focus in 2026 on the following areas:



India

Demonstrating how agrivoltaics unlock solar PV without land use trade offs



Indonesia

Highlighting industry led clean power demand and its economic growth potential



Sub-Saharan Africa

Providing system level insight to strengthen Africa's solar scale up



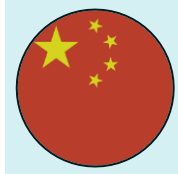
Australia

Supporting electrification target-setting at COP31



Brazil

Engaging on local energy transition pathways



China

Collaboration with CISRI on iron and steel decarbonisation

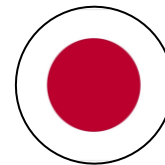
Continued collaboration with:



US



Canada



Japan



Europe



Exploring, with partners, how to apply our power systems work in ASEAN



Electrification: ETC as part of 35% by 2035 - clean electrification target, to be championed at COP

ETC is working on new COP pledge, building on 'Triple Up' (renewables) and 'Double Down' (energy productivity) to 'Electrify Now'

Mission statement:

Supporting the development of a global target to reach **35% electrification by 2035** through **robust analysis on the role of electrification** in delivering **faster**, more **affordable** decarbonisation.

Collaboration:

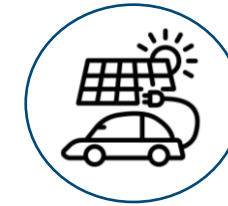
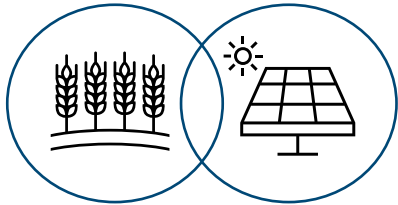
Working with leading civil society organisations to gather the best analysis on electrification to translate into **a credible COP pledge and long-term global objective**.

Written output:

A short analytical brief on the role of electrification, feeding directly into the COP pledge campaign



Electrification: accelerating solar through Agri PV and in Sub-Saharan Africa



Unlocking solar at scale: AgriPV in India

ETC, in partnership with TERI, finds that AgriPV deployed on cropland alone could generate **2–4 times India’s projected electricity demand by 2050**. When expanded across all suitable land types, solar potential rises to 3–6 times projected demand.

Solarising Africa

ETC is supporting the International Solar Alliance in developing a flagship report on solarising Africa, leading the chapter on **solar powered e-mobility** and its role in driving clean transport and development.



Continued work on Power systems

Role of firm low-carbon power: nuclear, geothermal



- Techno-economics
- Power & energy system value
- Wider economic/societal impacts
- Key criteria for the development of new nuclear & geothermal

Next steps



Workshop 3 - Key guidelines to scale nuclear and geothermal
23 March 2026



Report drafting with member reviews in the spring
April – May 2026

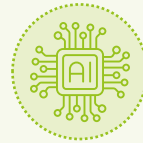


Publication and communications campaign
Summer 2026 onwards

Turbocharging electrification



Wind: policy choices and cost impacts in the wind-belt



Demand growth (incl. AI) and power system implications



Role of gas: market / policy design for gas in power system flexibility roles



Grids (already done): grid needs as the backbone of the transition; innovative grid technologies



Other: Market design for lower bills



Molly Walton

Energy Director at We
Mean Business Coalition





ELECTRIC ADVANTAGE

*A MULTI-YEAR PROGRAM FOCUSED ON
ACCELERATING THE TRANSITION TO
ELECTRIFIED ECONOMIES*



THE FUTURE ECONOMY IS ELECTRIC

- **Economic value creation is becoming more electricity-intensive.**

For the first time in decades, global electricity demand outpaced economic growth in 2024. This isn't a one-off— the IEA expects this to become a broader trend in the coming years.

- **This marks a structural shift in how economies function: electricity, not fossil fuels, becomes the operating system on which growth runs.**

Between 2026-2030, global electricity demand is expected to grow by an average rate of 3.6%/year. And electricity consumption is projected to grow 2.5x faster than overall energy demand.

- **An electrified economy is the goal; electrification is the critical lever.**

Electrification is the fastest, most scalable and most systemic way to both modernize and decarbonize the economy because it changes the cost, efficiency and reliability of the energy services on which modern economic activity depends.

-

- **Rapid electricity demand growth from data centers is shaping the contours of the electricity system in new ways.**

If unmanaged this rapid growth can drive new fossil fuel generation and consumption, cause grid congestion and risk slowing the shift to clean electrified economies.

- **As electricity becomes cleaner and grids become more capable, the opportunity is clear, as is the business rationale.**

Aligning electrified end uses and fast-growing data-center demand with clean power and grid readiness is now central to energy security, affordability, and competitiveness.



SYSTEM CONDITIONS THAT ENABLE OR DELAY ELECTRIFICATION

Outer ring | Enablers (or Blockers) for rapid electrification →

Outer ring | Enablers (or Blockers) for rapid electrification →

Power & Network What supplies and connects

Flexibility & Balancing What keeps the system reliable and

Clean power generation
E.g. solar PV, nuclear

Grids
Expansion, upgrades, connections

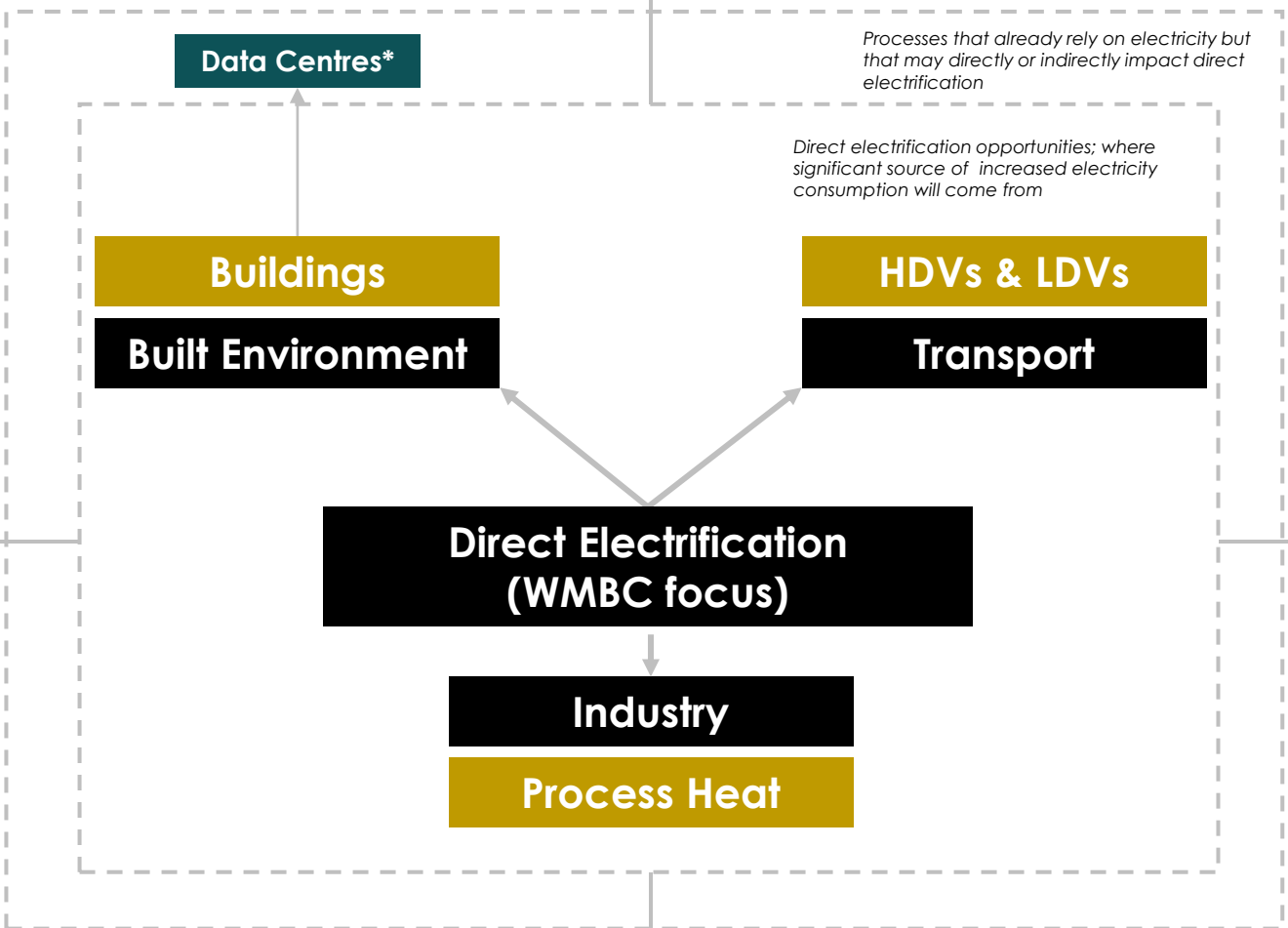
Transmission/Distribution
Expansion, grow in complexity

Market rules & policy
Planning, permitting, power market reforms, price signals, consumer protection, etc.

Finance & Incentives
E.g. Capex mobilisation, subsidies for upfront costs, etc.

Workforce & Training
Skills and jobs investment

Market What can impact private / consumer



Storage
Short / long duration, behind / front-of-meter

Demand-side
Load shifting, dynamic tariffs, smart charging, industrial demand response

Flexible resources
Aggregators, microgrids, etc.

Smart & Sub-metering
Real time consumption readings, supporting flexibility

Interoperable standards
Common language, allowing electrotech, platforms and grid operators to communicate

Secure data infra.
Cybersecurity, consents, etc.

Supply chains
Stability, e.g. critical minerals, manufacturing capacity, etc.

***AI**
Planning, regs, etc.

Digitalisation What optimises the system and

THE ELECTRIC ADVANTAGE PROGRAM

Electric Advantage is a 4-year program that will focus on accelerating the shift to electrified economies—ensuring electrification becomes an imperative and aligning end-use electrification and data center demand with clean power, grid readiness and economic strategy to ensure competitiveness, affordability, energy security and better livelihoods.

We have two primary aims:

1. Accelerate direct electrification of end-uses
2. Help companies prepare, lead and benefit from electrified economies

We will start with a focus on direct electrification of end-uses in 2026, while scoping other programmatic areas

COALITION
PARTNERS

THE B TEAM ▶

Corporate
Leaders
Groups



CLIMATE GROUP



BSR®



Ceres



HOW WE WILL DELIVER

To ensure electrification is viewed as the primary pathway for affordability, competitiveness, energy security and improved livelihoods, embedded in national strategies and supported by business leadership we will:

1. Elevate electrification as global priority

Define a global goal for electrification to help governments and business align on a shared ambition that will trickle down

2. Develop a narrative that resonates across the spectrum

Create a narrative and products that educate and galvanize business and policymakers and that others can support

3. Build an aligned & coordinated movement

Building partnerships across the value chain, including consumers and worker groups in support of the movement

4. Support and enable business leadership

Provide the resources and platform to help businesses speak with one voice, move in concert, advocate together

5. Advocate and influence policy and regulations

Advocate for enabling policies and incentive reform at the national and subnational level

6. Put electrification into practice

Turn policy, business insights, and commitments by piloting and scaling real-world solutions

Pathways will vary by geography and company size. The program is designed to be globally coherent and locally relevant- supporting tailored pathways that reflect different starting points while maintaining a shared trajectory. It will start with a global focus, with tailored work in the EU and India, while looking to expand into other Asian regions starting 2027.

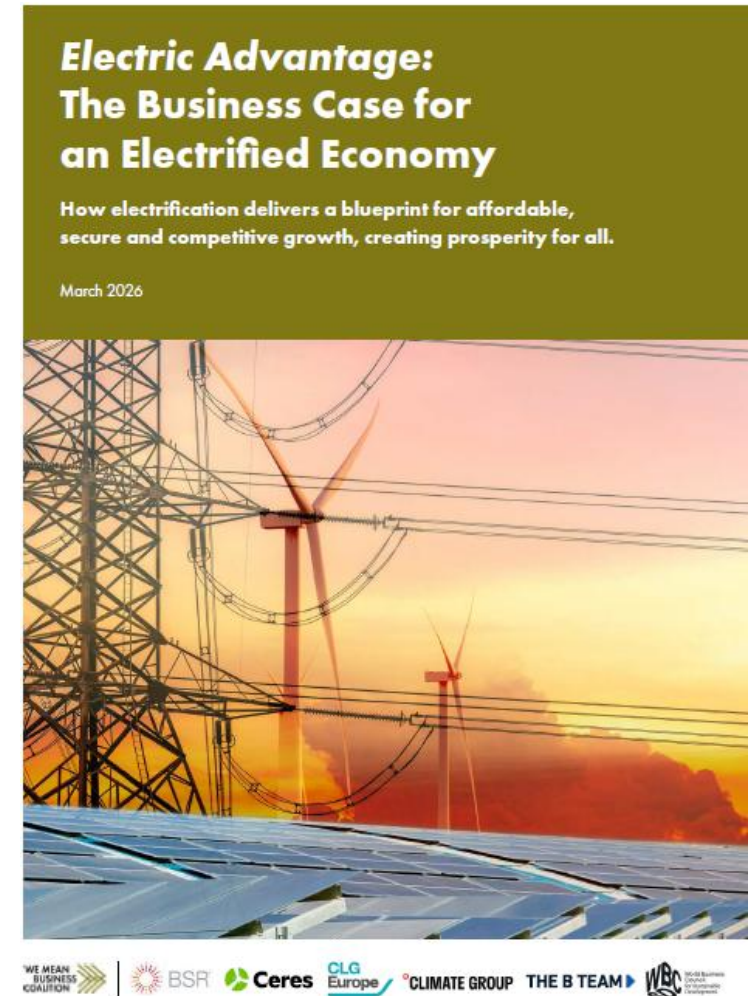


- Electric Advantage

Looking ahead

- *Upcoming key products and events:*
- **Business poll on electrification** (w/ E3G and GRA) | June
- **Global Energy Transition and Electrification Summit** (WMBC, GRA, E3G and the UK Government) | 23 June
- **Electrification Competitiveness Index** | September
-

If interested in engaging, please visit our [website](#) or reach out to Molly Walton at mwalton@wmbcoalition.org



WE MEAN BUSINESS COALITION



wemeanbusinesscoalition.org



linkedin.com/company/wemeanbusiness



How the first “Split-COP” is shaping up



- **Türkiye** will host COP31 in **Antalya Expo Centre**, from **09-20 November 2026**.
- **COP31 President** will be **Murat Kurum** (Minister of Environment, Urbanization & Climate Change).

Presidential priorities (indicative):

- **Drive implementation and tangible outcomes** – via leadership of the ‘Action Agenda’ (cutting emissions from waste rumoured as top priority)
- **Promote inclusive, just climate diplomacy** – positioning Türkiye as a bridge between North/South
- **Focus on adaptation, finance transparency & local relevance** – via measurable adaptation targets and just transition principles



- Australia appointed **‘President of Negotiations’**, leading formal negotiations and draft texts.
- **Chris Bowen** (Minister for Climate Change & Energy) is leading representative

Negotiation priorities (indicative):

- **Advance ambitious climate outcomes** – transition from fossil fuels and scaling up finance for LDCs
- **Elevate Pacific climate leadership & resilience** – to drive recognition of resilience needs, and equitable climate outcomes (including pre-COP platform)
- **Showcase economic opportunity** – via demonstration of Aus’ renewable energy credentials and investment opportunities

Note: official priorities have not yet been announced, indicative priorities arrived at through summarising quotes and local media insights.

Source: AA.com (2025), Türkiye aims to serve as a bridge between Global North, South in tackling climate change: Vice president’ Climate Home News (2026), Türkiye prioritises cleaning up garbage emissions in COP31 ‘action agenda’; DCCEEW (2026), Joint media release: Australia welcomes decision to host pre-COP in Fiji and Tuvalu; Australian Institute of International Affairs (2026), COP31: Australia’s Opportunity to Lead on Climate and Energy.

COP30 moved global fossil phase down discussion forward, despite no official recognition in the text – role for ETC in 2026?

1 Fossil fuel phase down conference April 28-30, Colombia

Governments of Colombia and The Netherlands Announce Co-hosting First International Conference on the Just Transition Away from Fossil Fuels as COP30 Text Drops with No Mention of Fossil Fuels

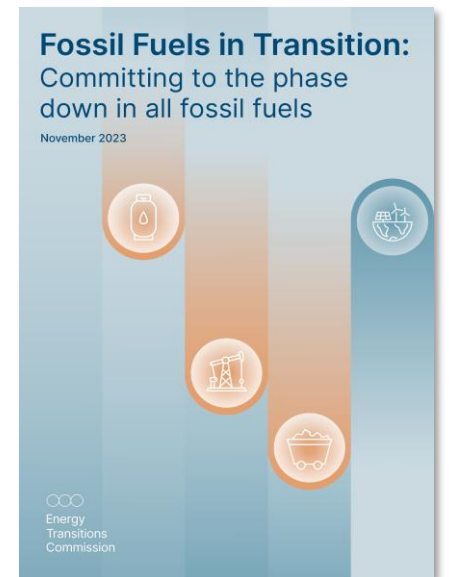
2 Brasil fossil fuel 'roadmap'

"I am convinced that, despite our difficulties and contradictions, we need maps of the path to reverse deforestation, overcome dependence on fossil fuels, and mobilize the necessary resources for these objectives — all in a fair and planned way."

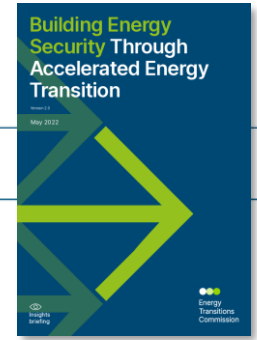


Potential role(s) for ETC

- Short restatement of 2023's *Fossil Fuels in Transition*, recognising current circumstances?
- Shaping role with Netherlands and Colombia organisers?
- Scene setting role at conference?



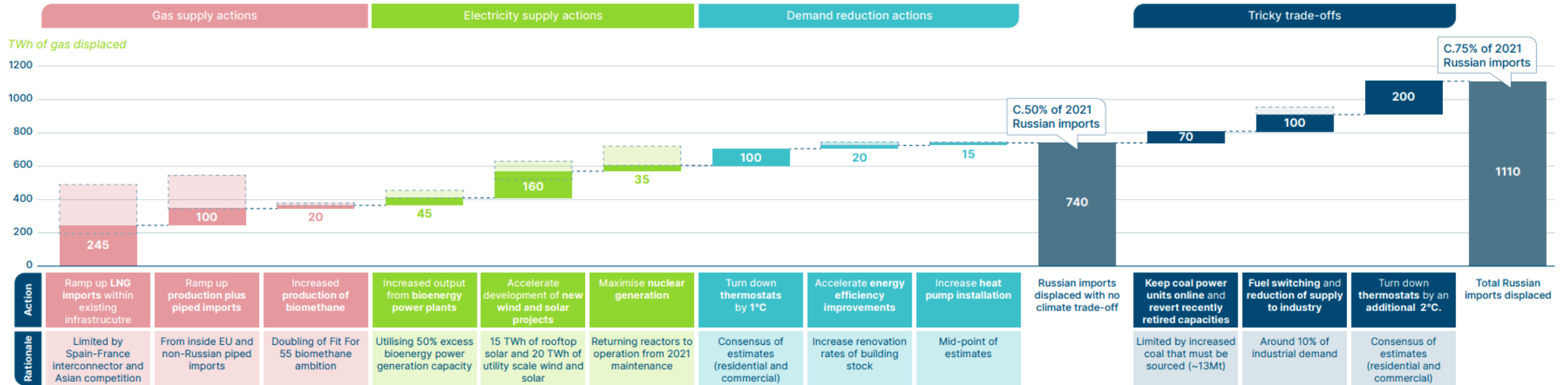
ETC could create a quick response to energy price rises as we did after the Russian invasion of Ukraine



How far can Europe reduce the use of Russian gas this year?

It should be possible to reduce Russian imports by around 50% without climate trade-offs; and around 75% with tricky trade-offs. Higher amounts could be reached, but would require intense policy intervention.

ETC assessment of feasible level of European Russian gas imports which can be displaced within 1 year.



NOTE: A range of estimates from external sources (incl. IEA, Aurora and European Commission).

Range of estimates ETC best estimate assessment, assuming strong policy scenario



Source: ETC (2022), Building Energy Security Through Accelerated Energy Transition

ETC using multiple levers to push for decarbonisation in the hard-to-electrify sectors

ETC WORK ON HARD-TO-ELECTRIFY SECTORS

1. CBAM and carbon pricing

- Engagement with transition leaders in Australia and China on potential CBAM and carbon pricing mechanisms to support decarbonisation of heavy industry.
- Discussions with Business for CBAM on the EU Commission's expected end-2025 proposal to strengthen the CBAM framework.
- Dialogue with OECD and WTO on trade and policy implications of carbon border measures.
- Follow up on the Open Coalition on Compliance Carbon Markets, created during COP30 with country members representing 40% of current global emissions

2. Steel: MOU with China Iron and Steel Research Institute

- Joint project supporting China's "Dual Carbon" goals through localized economic analysis of the steel transition using Systemiq's Steel-IQ model.

3. Shipping: convenings with GMF and IMO ahead of Net Zero voting (Oct.)

4. Joint technical briefing with Mission Possible Partnership

Joint technical briefing (PPT) with Mission Possible Partnership



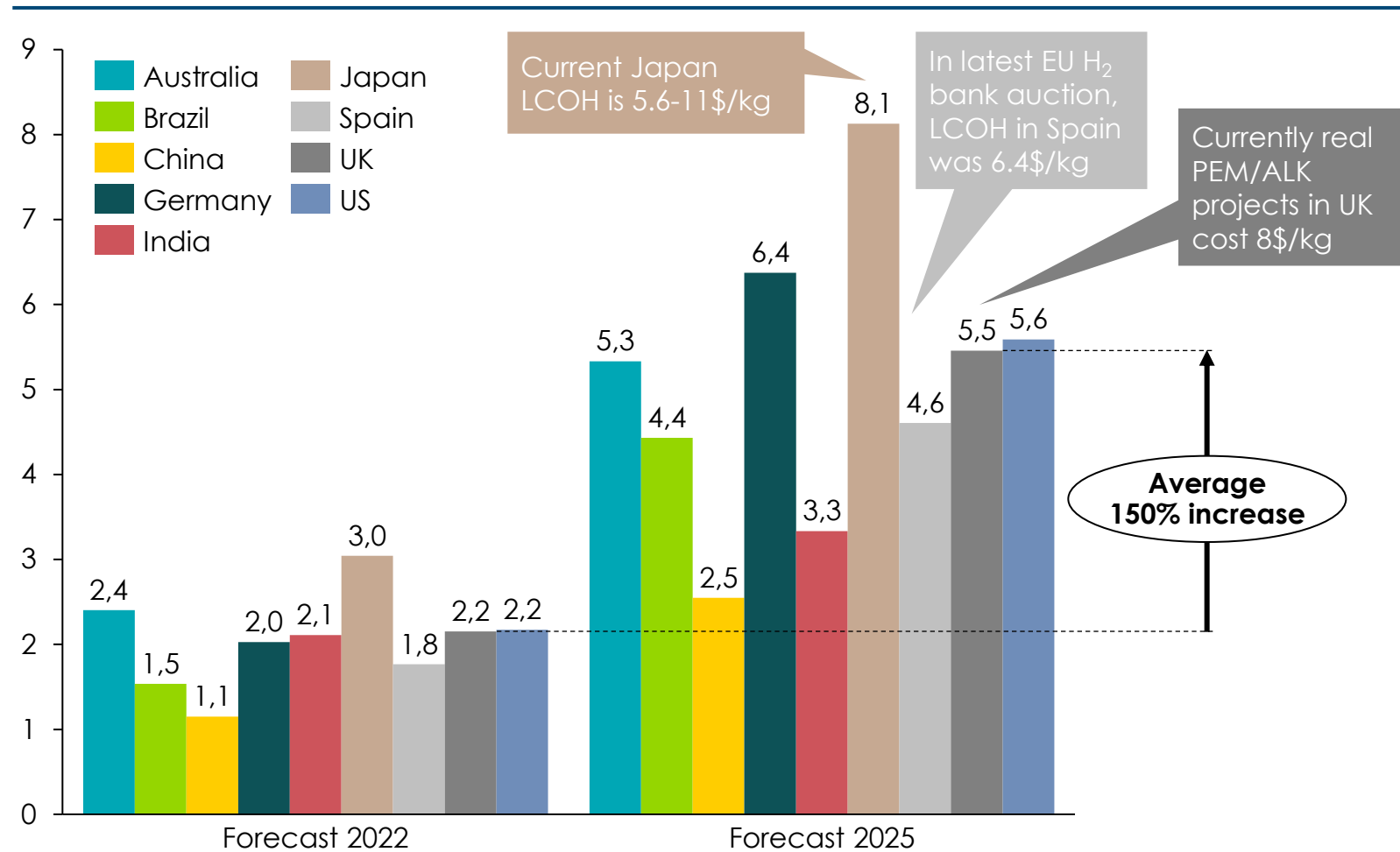
- **Joint forward from Adair Turner and Faustine Delasalle** on the importance of energy productivity in reducing cost of decarbonisation in heavy industry and transportation sectors
- Launching **end-March 2026**, ahead of IMO meeting and around 1st quarter of CBAM ending



Understanding the hydrogen hype cycle: China leading prices with \$1.5/kg vs \$6/kg in rest of the world; ETC propose to reassess fundamentals.

Levelised cost of Hydrogen from renewable electricity BNEF revised projections for 2030

\$/kg H₂



- Despite no significant decrease in prices outside China, achieving Net Zero still requires the world to **triple current H₂ production**
- Based on ETC's latest view on H₂ supply and demand from 2025 Carbon Molecule's report, ETC will assess the **plausible way forward**, leveraging lessons learned in the past 5 years and a revised view on enablers

Sources: BNEF (December 2024) Hydrogen Levelized Cost Outlook 2025; Clifford Chance (March 2025) Focus on Hydrogen State of the market 2025; [International PtX Hub: Key takeaways from the first EU Hydrogen Bank auction](#); IF24 Auction; The Platts Hydrogen Wall

Confidential

Protecting Paris highlight: A new ETC delivery style equal parts analysis and considered engagement, with iterations between the two

Analysis

- Identify the core 'blocks' of emissions reductions that are needed to deliver temperatures closer to Paris objectives
- Identify costly and costless actions
- Actions and targets required to deliver

Engagement

- Moving from deep listening to testing emerging conclusions
- Work with partners to seed ownership and adoption of actions and targets required to deliver ambitious climate action in next 5-10 years, by COP31



ETC will develop POV and engage with 6 key audience groups

Protecting the Paris Agreement – limiting warming to well below 2°C

Direct engagements



Selected roundtables on key issues

Six key audiences are critical to Protect Paris



International climate community

To align narratives and reaffirm action (i.e. IPCC, UNFCCC, SBTi)



Financial institutions

To identify possible action, policies needed & address gaps in data/tools (i.e. former GFANZ/NZBA stakeholders)



Corporates

To avoid backsliding and refocus on credible targets (i.e. those inside and outside the ETC coalition)



Civil society players

To coordinate messaging and advocacy efforts (i.e. NGO community)



Leading modellers

To ensure ambitious but credible pathways are available and consistent (i.e. IEA, BNEF, IRENA, S&P)



Policymakers

To ensure policy is targeted at the correct levers (i.e. Politicians, advisors and Senior Civil Servants)



ETC will push for ambitious global mitigation outcomes, via bilaterals, focusing on where we add value on each topic

Topic	Global engagement outcome	Key actors	How does ETC add value?
1 Turbocharging clean electrification with international community	<ul style="list-style-type: none"> COP 35% by 35 target The policies in place to make this happens 		Outline key sectoral opportunities and actions required in electrification initiative (EVs, light/medium heat, etc.) incl. via accompanying ETC electrification note
2 Accelerating action across HTE sectors	<ul style="list-style-type: none"> Scaled up finance / deployment of HTE projects Clarified role of policy, carbon pricing and lead markets 		Reinforce role for carbon pricing in HTE sectors, including in China/India/EU discussions and with key bodies such as WTO and IMO
3 Reducing emissions from LULUCF	<ul style="list-style-type: none"> Better global understanding and increased awareness of LULUCF issues 		Clarify importance and empower others to implement
4 Reducing methane from oil and gas	<ul style="list-style-type: none"> Renewed action to address methane, including through novel techs, identifying and addressing gaps in action 		Clarify importance and empower others to implement

Key audiences to discuss ETC POV and share narrative with

International climate community

Civil society players

Leading modellers





Policymakers

Corporates

Financial institutions

Primary engagement channel = bilaterals



ETC will also convene corporates and financiers to understand key gaps, via roundtable, seeking alignment on parameters for accelerated action

Audience	Engagement outcome	Key actors	How does ETC add value?
 <p>Corporates</p>	<p>Maintain long-term net zero commitments; and align with well below 2°C pathways</p>		<ul style="list-style-type: none"> - Identify where near-term decarbonisation actions – including turbocharging electrification - are possible or require policy support
 <p>Financial institutions</p>	<p>Continued alignment around Ambitious But Credible targets for well below 2°C pathway</p>		<ul style="list-style-type: none"> - Identify sectors where actions are costless and/or require policy intervention - Understand and address gaps in data and tools required



Primary engagement channel = roundtables

Finally, ETC wants to open discussions with modelling peers, via roundtable, on the level of sector and country data granularity that can drive action

Audience	Engagement outcome	Key actors	How does ETC add value?
 <p>Leading modellers</p>	<p>Greater consistency in scenario framing, especially around net zero, ideally explicitly laying out by when a certain set of actions need to happen to keep warming levels well below 2°C</p>		<ul style="list-style-type: none"> - Create a space for dialogue across the analyst community on credible and useful scenario ranges by sector and by country - Engage where greater consistency and/or transparency across scenario ranges could support decision-making, seeking to address possible gap with IEA's Net Zero



Primary engagement channel = roundtables

Discussion: Comments & Reflections



Agenda

- Current geopolitical landscape and implications for key regional transitions
- The state of multilateral climate diplomacy, corporate action and public debate
- Where does this leave us: between fragmentation and acceleration
- **How does ETC respond: a tactical plan for 2026**
 - Overall work programme
 - **Refreshing communications strategy**



We've iterated our strategy for changing times – from building the evidence base to winning hearts and minds

PILLAR 1: Amplify

To expand the evidence-base:
helping to win ongoing debates

- **Broadening ETC presence, focusing on:**
 - Tier 1 media and non-English international media.
 - Social media
 - Key sectoral and regional events.
- **Direct engagements** through:
 - Targeted outreach campaigns
 - ETC Matters newsletter

PILLAR 2: Repeat

To inform and explain: dispelling myths, correcting misinformation, and explaining and re-explaining complex ideas

- **Through shorter, more digestible forms. eg,**
 - Op-eds & blogs
 - Events
 - Podcasts & You Tube
 - Infographics
 - Short explainers
 - Digital (videos) and social campaigns

“Good stories make us think and feel. They stick in our mind and help us remember ideas and concepts”

– The Storytelling Edge

PILLAR 3: Extend

To educate and convince:
audiences previously unaware or unconvinced

- **Through audience specific** tailored content.
 - Podcasts
 - Digital story-telling
 - Social media
- Build on **existing collaborations** (Global Optimism, GSCC) & **move outside our comfort zone** (new audiences)
- **Direct outreach** with high impact interest groups (Youth, faith, culture & sport) e.g. Count Us In



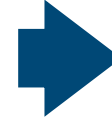
As a result, the ETC's external position and reputation has evolved and grown

2017

2025

Transformed
positioning

Industry-led group incl. heavy emitters and traditional oil and gas companies



Trusted authority in the energy transition, backed by a broad set of global organisations

Enhanced
reputation

Lack of awareness and some caution from NGOs (climate community) and influencers (media, policy makers)



Highly-regarded source of detailed, evidence-backed insight and guidance on turning net-zero targets into delivery

Expanded reach

Launch focused activity, primarily via media and speaker engagements



Deeper relationships with influential media. Comprehensive engagement programme. Extending into broader audiences.



Members want us to keep pace with a changing world...



It's like bringing a knife to a gun fight

Comment from 2024 Commissioners meeting



***We must reshape comms for
greater effectiveness in 2026.....***



How many people in the 'grasstops' audience? A UK example.....

UK example: Top targets of ~15,000



Political decision makers	Civil Servants	Corporate business leaders	Academics and NGOs	Journalists
<p>~300 Influential Ministers:</p> <ul style="list-style-type: none"> Cabinet, Senior, Junior & Parliamentary undersecretaries + Select committee chairs and key MPs Devolved and Metro-level political leaders <hr/> <p>~200 Special Advisors:</p> <ul style="list-style-type: none"> For PM, SOS, Ministers of State 	<p>~300 Senior Civil Servants:</p> <ul style="list-style-type: none"> Permanent Secretaries, Directors General, Directors with ET related portfolio authority <hr/> <p>~2500 Mid-Level Policy and Delivery Leads:</p> <ul style="list-style-type: none"> Policy professionals working in key sectors <hr/> <p>~2000 Technical & analytical specialists</p> <ul style="list-style-type: none"> Analysts, economists, engineers, planners, etc 	<p>~300 Companies:</p> <ul style="list-style-type: none"> Energy/utilities Heavy industry & infrastructure Finance Large energy using corporates <hr/> <p>(*6) C-Suite and board</p> <hr/> <p>(*6) Senior management</p> <hr/> <p>(*8) Technical/commercial experts</p>	<p>~600 Senior academic leaders:</p> <ul style="list-style-type: none"> Energy/climate relevant Professors, institute directors, research chairs <hr/> <p>~1000 Academic researchers and fellows:</p> <ul style="list-style-type: none"> Associate professors, senior researchers <hr/> <p>~1000 NGO leadership and technical/policy specialists:</p> <ul style="list-style-type: none"> Directors, analysts, strategists, legal 	<p>~50 editors and desk heads:</p> <ul style="list-style-type: none"> National newspapers, Broadcast media, Trade and Specialist Energy/Infra media, key digital platforms <hr/> <p>~ 40 senior correspondents</p> <hr/> <p>~100 reporters and analysts</p> <hr/> <p>~10 columnists</p>
500	5000	6000	2500	200

Other priority markets:



We need to make both strategic and tactical choices....

STRATEGIC

- 1 **Reframing the message** for a changing world
- 2 **Empowering new messengers** for wider audiences
- 3 Expanding further into **in-market media** to make **active interventions in international policy debates**
- 4 Building an **agile rapid response model** to engage in 'live' media stories
- 5 Building capability for an **AI-first information ecosystem**

TACTICAL

Focus comms & engagement on highest impact outcomes:

What should we start, stop and continue to deliver our strategic objectives?

Who should we partner with to deliver impact given resources?



We must find the best frame to integrate climate with broader policymaker and voter priorities – with realism



While tailoring with more depth for our core audiences:

- Senior policymakers vs technical officials
- Emerging economy governments vs OECD
- CEOs vs sustainability leads vs boards
- Media: specialist vs mainstream



And ensure distinctiveness from Ember and others.....



~800 staff, + country members

- Leading Net-Zero vision setters since 2021 – though now under threat from US administration
- In depth analyses with high overlap on ETC areas – but still scope for ETC to add additional insights



~80 staff, philanthropically funded

- Leading 'clean electrification' thinktank
- Focuses on data tracking of key electrification trends
- Produces annual outputs at a global or regional (China, Europe) level, with some additional ad hoc and country level analysis
- Analysis reflects current trends, with less emphasis on a longer-term vision and the pathways to achieve it.



Energy
Transitions
Commission

*10-15 staff
+ analysis backed by >50 members*

- Trusted full systems coverage: analytically leans into accelerate transition including electrification, hard to abate sectors, hydrogen, carbon capture, bioenergy, removals and cross-cutting issues.
- Analysis focuses on “next steps for the transition” rather than deep analysis of recent trends
- Helicopter view on global state of transition, and priorities for policymakers within it.



We need new messengers to influence grassroots as well as grasstops....

Grasstops - core ETC audiences

Senior politicians & policymakers, Technical legislators, Business leaders, Influential academics & NGOs

DEBATING CHAMBERS



BOARD ROOMS



CONFERENCE ROOMS



Grassroots: Extended ETC audiences

Students, Grassroots activists, Community groups, General public

SCHOOLROOMS



LIVING ROOMS



ETC is the face and voice of the message, supported by members and partners

We empower trusted messengers who have ready-made audiences providing data, arguments and assets for distribution

Adding more members voices to our outreach will make us more powerful



In a noisy, fast-paced environment, we must contribute quickly to live debates

The clean energy ecosystem

Other key actors

Focus shift towards implementation →

Not exhaustive

Analyses

Progress tracking

Mobilising decision-makers towards implementation

Global



Regional



Sectoral



With compelling positions on the difficult questions

Cost & affordability

Miliband's 'eye-watering' wind power price increase to hit energy bills

Energy Secretary's offer to developers to build in UK branded 'lunacy'

Resilience

Spain and Portugal blackout blamed by critics on solar power dependency

Electricity experts point to dangers of grid instability when renewables dominate output

Global politics

Populists' new backlash against environmental policies

Donald Trump's pro-oil advocacy comes at a time when the European effort against climate change is being weakened under the influence of conservatives and the far right.

We need:

- Pre-agreed positions endorsed by members to enable quick turnaround response
- A distinctive and differentiated point of view
- A team resourced for rapid rebuttal
- Member voices to support and amplify



We must extend beyond Western media with wider in-market execution



We need:

- Local agency expertise/support on the ground
- More granular analytics by region/country
- Local and regional case studies
- Member and partner voices in-country to build our bench of local spokespeople



We need to retool for an AI-enabled information system

Goal: ETC Insights surface directly in AI-generated answers

Ensure ETC content becomes AI-retrievable:

- Publish clear, structured insights
- Make reports machine-readable and easily quotable
- Build content campaigns that include short explainers, data visualisations, modular insights and quote-ready key statistics

Goal: ETC becomes AI-trusted source

Build trust signals and earn citations by:

- Tracking and pitching both legacy and digital media placements based on latest AI citation sources
- Build profile of ETC analysts externally to promote trusted citations
- Provide transparent modelling and data sources

Goal: Use AI to enhance comms effectiveness

Multiply the reach and speed of ETC communications using AI tools

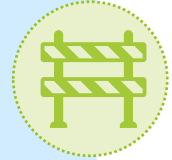
- Rapid content repurposing
- Rapid rebuttal monitoring and response recommendations
- Faster policy briefings and summaries
- Audience insights and message testing

*AI assistants are rapidly becoming a gateway to information. **Around half of internet users already use AI chat tools instead of traditional search engines at least occasionally**, while analysts at Gartner predict **traditional search volume will decline by 25% by 2026 as AI chatbots increasingly act as “answer engines.”***

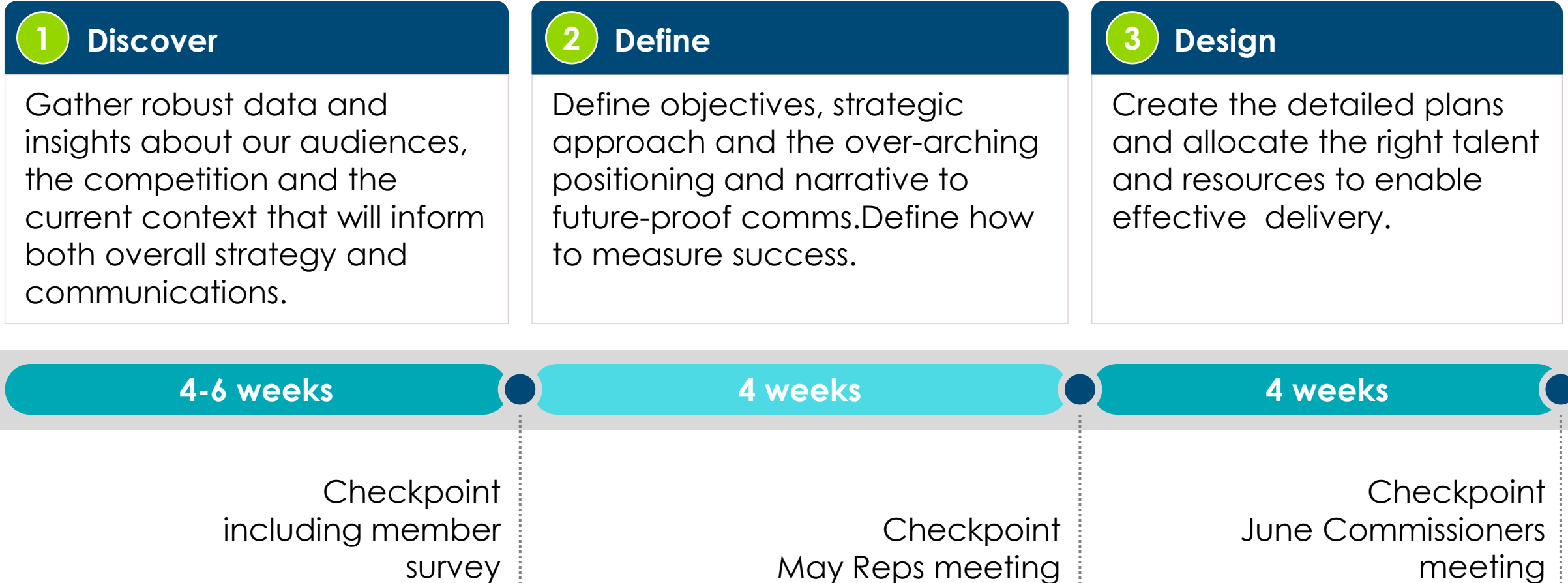


ETC could act to help lessen the spread of misinformation

- **Misinformation is a massive barrier to climate action**
 - Prevents outputs becoming outcomes or impacts, i.e. reports conveying benefits of EVs do not lead to pro-EV policies/greater take-up if counter-narrative more impactful
- **ETC could create 'single point of truth' fact base**
 - To tackle key misinformation tropes in each sector/technology, i.e. wind turbines cause cancer, lead to excessive bird deaths, cause more emissions than prevented
- **Gap exists to empower businesses to speak up**
 - Businesses perceived to have ceded ground to those spreading misinformation
 - ETC could build endorsement from a wide business coalition, with leaders jointly giving their voice to the battle to claim that the 'science is settled' in key areas
- **ETC are exploring partnerships and funding options** to help drive action in this space



We will take an evidence-based, structured approach.....



Discussion: Comments & Reflections

