

Energy Transitions Commission Insights Briefing Paper

Building Energy security Through Accelerated Energy Transition

Messaging Document

Key messages - Top Line

- Business leaders call for strategic choices around energy security to ensure acceleration of the energy transition.
- Urgent action to improve energy security can accelerate Europe and the world's energy transition whilst meeting the EU's objectives to move swiftly away from Russian fossil fuels.
- We must act now to accelerate the energy transition and invest in building a zero-carbon economy based on deploying more renewable energy (clean electrification), accelerating energy efficiency and facing up to tricky choices around fossil fuel infrastructure.
- 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: and we must face the need to make some trade-offs, particularly in the short-term.

Short term- Balancing energy security and climate concerns

- In the next 12 months there will be unavoidable trade-offs versus climate objectives, as policy makers balance energy security and climate concerns.
- High and volatile gas & oil prices have improved the cost-competitiveness of key zero-carbon technologies and reminded businesses, consumers and policymakers of the vulnerability created by a fossil fuel dependent economy.
- The ETC has produced a supporting Explainer on 'How far can Europe reduce use of Russian gas this year?' which looks at EU and IEA plans to do this in the short-term. Overall, the EU could avoid 50% of Russian gas use this year without compromising climate objectives. Moving beyond this would require thinking through tricky trade-offs around fossil infrastructure and demand use.
- Key actions include demand reduction measures (turning down thermostats by just 1°C in homes and offices, accelerating building renovations of insulation and heat pumps), new renewables and maximising existing generation from nuclear and biomass sources. Buying natural gas on the international market should not lead to new infrastructure in the short-term.

Medium Term (2-8 years) - accelerate the energy transition

- It is vital to address both energy security and economic impact in a way which does not delay and ideally accelerates the energy transition.
- Clear strategies and strong public policies are needed to stop our dependence on a fossil fuel economy. Making the right choices now can accelerate Europe's, and the world's, energy transitions.
- The key focus of the insights Briefing is on medium term actions (2-8 years) which could improve energy security, stability of supply and limit the impact of future fossil fuel price shocks by 2030
- The core of the response should be accelerated investment in renewable energy and economy wide electrification, together with improved energy efficiency.

- LNG imports from secure suppliers will also need to play a role but must be combined with measures to reduce CO₂ and methane leak emissions in gas production.

Clear Win-Wins

Clearly desirable actions include:

- Massive acceleration of renewable energy (with a strong focus on building storage and flexibility), through revising volume commitments in 2030 and actively bringing forward new capacity. Including renewable electricity for green hydrogen production.
- Energy efficiency and productivity including insulation, heat pump electrification and industrial energy efficiency
- Other sources of electricity, including keeping existing nuclear going and utilising existing sustainable biomass sources where possible

Difficult tradeoffs

Alongside actions which reduce European reliance on gas, new sources of supply will also need to play a role, with potential for :

- Increased LNG imports
- Increased / maintained output from existing gas fields

But the risks that too much investment in these alternatives will lead to carbon lock-in must be recognised and managed, and new investments and contracts must be designed to minimise production related CO₂ and methane emissions.

Clearly undesirable actions

Actions which could seriously delay or imperil the energy transition are unnecessary and undesirable. These include any dilution of 2030 emission reduction targets or of commitments to phase out coal generation, or any large scale new oil and gas developments.

The 2-8 year gas challenge: achieving a win-win for energy security and climate action

