

PRESS RELEASE

GLOBAL ENERGY, INDUSTRY AND FINANCIAL LEADERS OUTLINE NEXT DECADE PRIORITIES FOR A NET-ZERO-CARBON ECONOMY

*A YEAR BEFORE COP26, NEW REPORT FROM ENERGY TRANSITIONS
COMMISSION HIGHLIGHTS ACTIONS REQUIRED BY 2030 TO ACHIEVE
ZERO-CARBON ECONOMY BY MID-CENTURY*

**UNDER STRICT EMBARGO:
UNTIL 0700 BST 16 SEPTEMBER**

LONDON, 16 September 2020 - A coalition of 45 leaders from global energy producers, energy-intensive industries, financial institutions and environmental advocates – including ArcelorMittal, Bank of America, BP, Development Research Center of the State Council of China, EBRD, HSBC, Iberdrola, Ørsted, Shell, Sinopec Capital, Tata Group, Volvo Group and the World Resources Institute among others – argues in this report that the world can and must achieve net zero greenhouse gas emissions by mid-century, and that in the long term “zero must mean zero”, with no permanent rather than transitional reliance on negative emissions to balance continued large-scale emissions from the energy system and industry. It also lays out steps needed in the next decade to achieve that objective.

In its new report ***Making Mission Possible – Delivering A Net-Zero Economy***, the Energy Transitions Commission (ETC) shows that clean electrification must be the primary route to decarbonisation: it highlights that dramatic falls in cost of renewable energy make this easily affordable and argues that all growth in electricity supply should now come from zero-carbon sources with no need to build any new coal-fired power capacity to support economic growth and rising living standards.

The report demonstrates that it is technically and economically possible to have a carbon-free economy by around mid-century at a total cost of less than 0.5% of global GDP by taking three overarching steps:

- **Using less energy** while improving living standards in developing economies, by achieving dramatic improvements in energy efficiency and shifting to a circular economy;
- **Scaling up clean energy provision** by building massive generation capacities of cheap clean power, at a pace five to six times higher than today, as well as expanding other zero-carbon energy sources such as hydrogen;
- **Using clean energy across all sectors of the economy** by electrifying many applications in buildings, transport and industry, and deploying new technologies and processes using hydrogen, sustainable biomass or carbon capture in sectors that cannot be electrified, like heavy industry or long-distance shipping and aviation.

The signatories acknowledge that this report is published in “an unprecedented context”. They argue that the COVID-19 pandemic has demonstrated the unpreparedness of the global economy to systemic risks and that the massive public spending now being dedicated to stimulating economic recovery constitutes a unique opportunity to invest in a more resilient economy.

The ETC estimates that additional investments required to achieve those goals will be in the order of US\$1 trillion to US\$2 trillion per year, equivalent to 1% to 1.5% of global GDP. This represents only a small increase of global investments which currently amount to about a quarter of global GDP, and would contribute to global economic growth.

“There is no doubt that it is technically and economically possible to reach the zero-carbon economy which we need by 2050; and zero must mean zero, not a plan which relies on the permanent and large-scale use of “offsets” to balance continued GHG emissions. But action in the next decade is crucial – otherwise it will be too late.”, ETC Co-Chair Adair Turner said.

Fellow ETC Co-Chair Ajay Mathur added, *“In India as in many countries, climate change is already impacting people and disrupting the economy. Governments from developed and developing countries will find in this blueprint practical recommendations on how to enhance their national strategies and ramp-up their commitments as part of the Paris agreement.”*

The report outlines **3 critical priorities for the 2020s** and practical actions that nations and non-state parties can commit to in the run up to the COP26 United Nations Framework Convention on Climate Change in November 2021 to put mid-century objectives within reach.

1. **Speed up the deployment of proven zero-carbon solutions** – governments, investors and corporates need to work hand-in-hand to build up massive capacities of zero-carbon power generation to enable the clean electrification of the economy.
2. **Create the right policy and investment environment** – by removing fossil fuel subsidies, increasing carbon prices and combining them with border carbon adjustments in the absence of an internationally-agreed carbon price, putting in place regulations – like fuel mandates or lifecycle emissions standards for manufactured products – that create additional incentives for decarbonisation where price signals are insufficient, and working with financial institutions to channel investment not only to green activities but also to energy-intensive industries making their transition.
3. **Bring the next wave of zero-carbon technologies for harder-to-abate sectors to market** – so they can be deployed in the 2030s and 2040s, by focusing public and private R&D on - critical technologies (like hydrogen, sustainable fuels or carbon capture), creating demand for new green products and services (through “green buyers’ clubs, public procurement, and product regulations), and financing the first commercial-scale pilots through smart use of de-risking public funds alongside private capital.

The ETC’s blueprint is intended to allow all developed economies to reach net-zero emissions by 2050 at the latest, including China which has the resources and technology leadership to become a rich developed zero-carbon economy by 2050. All developing

nations would be able to reach net-zero emissions by 2060 at the latest, but require development finance to de-risk and attract private green investment.

The report integrates findings from ETC's landmark 2018 Mission Possible report and subsequent region-specific studies with updated analysis to reflect the latest trends in the readiness and cost of key emission-reducing technologies.

To read the full report, visit the ETC website www.energy-transitions.org

ETC COMMISSIONERS:

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About the Energy Transitions Commission

The Energy Transitions Commission (ETC) is a global coalition of leaders from across the energy landscape committed to achieving net-zero emissions by mid-century, in line with the Paris climate objective of limiting global warming to well below 2°C and ideally to 1.5°C. Our commissioners come from a range of organisations – energy producers, energy-intensive industries, technology providers, finance players and environmental NGOs – which operate across developed and developing countries and play different roles in the energy transition. This diversity of viewpoints informs our work: our analyses are developed with a systems perspective through extensive exchanges with experts and practitioners.

The Making Mission Possible report was developed by the Commissioners with the support of the ETC Secretariat, provided by SYSTEMIQ. It brings together and builds on past ETC publications, developed in close consultation with hundreds of experts from companies, industry initiatives, international organisations, non-governmental organisations and academia.

The report draws upon analyses carried out by Climate Policy Initiative, Copenhagen Economics, Material Economics, McKinsey & Company, Rocky Mountain Institute, The Energy and Resources Institute, University Maritime Advisory Services, Vivid Economics and SYSTEMIQ for and in partnership with the ETC, as well as a broader literature review. We reference in particular analyses from the International Energy Agency and BloombergNEF.

This report constitutes a collective view of the Energy Transitions Commission. Members of the ETC endorse the general thrust of the arguments made in this report but should not be taken as agreeing with every finding or recommendation. The institutions with which the Commissioners are affiliated have not been asked to formally endorse the report.

For link to the report please visit www.energy-transitions.org/publications/making-mission-possible

For further information please visit the ETC website at www.energy-transitions.org

QUOTES FROM OUR COMMISSIONERS:

Dominic Emery, Chief of Staff – BP

"This new report from the ETC shows that the shift to a net zero economy by 2050 is both technologically possible and economically vital as societies look to build back better from the pandemic. Reimagining the energy system for a zero carbon future is central to almost every aspect of this shift, which is why at bp we are transforming our business, aiming to increase renewable energy generating capacity 20-fold by 2030 and reduce oil and gas production by 40% over the next decade. Corporate action matched by policy leadership will be key, if society is to drive transition at the pace required by the science".

Stephen Fitzpatrick, Founder - Ovo Energy

“The transition to a zero-carbon society offers an enormous opportunity to revitalise the global economy, improve air quality and raise living standards. Making Mission Possible provides a clear and practical blueprint for the delivery of a clean energy future, not least through the implementation of renewable electricity generation worldwide and the wholesale electrification of transportation and heating; all underpinned by an intelligent digital energy infrastructure”.

John Holland-Kaye, Chief Executive Officer – Heathrow

“In tackling the climate crisis, carbon is our shared enemy. At a time that we are feeling the impact of constraints to our mobility it is encouraging that we are working together to make decarbonising aviation a reality. We urgently support the development of sustainable aviation fuels – it will enable our industry to take action now to achieve Net Zero. Now is the time to turn ideas into action and preserve the benefits of aviation in a world without carbon so that future generations can enjoy what we have now”.

Ian Simm, Founder and Chief Executive Officer - IMPAX Investment

“As this report makes clear, it is possible to achieve a net zero economy in the developed world by 2050, but it will require significant and targeted investment into clean energy. Making Mission Possible highlights how the investment community will benefit from a successful energy transition, but in order to do so, we need to move at speed and at scale.”

Thomas Thune Anderson, Chairman of the Board – Ørsted

“Renewable energy is fundamental to delivering a net-zero economy by 2050. The ETC report provides a blueprint for a green economy and calls for global leaders to take action in the next decade. And everyone needs to act to help create a world that runs entirely on green energy”.

Full list of Commissioner and supporter quotes can be found [here](#).

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