

# 22<sup>nd</sup> Edition World Energy Markets Observatory: Transformation

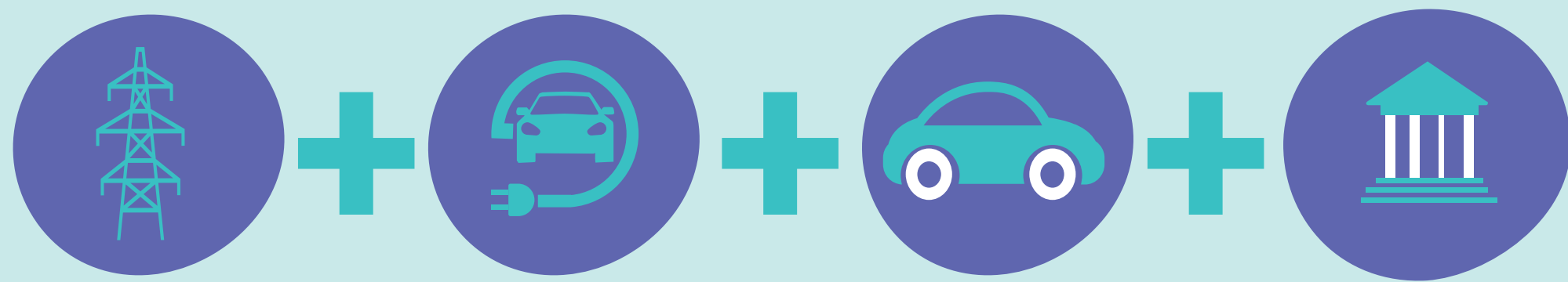
# #1

Energy Transition is the #1 priority for all energy players

As the energy sector grapples with the effects of the global pandemic, a transformation strategy based on the shift to energy services is no longer a viable growth opportunity. Organizations must refocus their digital transformation agenda around the acceleration and the prioritization of energy transition.

## Electric Vehicles and Green Mobility

Adoption of Electric vehicles (EVs) is increasing all over the world, boosted by battery improvements, environmental concerns, public subsidies and regulation.



DSOs, charging station providers, vehicle owners, local public authorities must work together to create a viable charging infrastructure and prevent grid overload through EV charging.

The greening of public transportation systems must also be prioritized in order to meet long-term GHG emissions reductions.

## Energy transition will be enabled most prominently through:

Renewables energy production and consumption decentralization

Green mobility, including EV adoption and transformation of public transportation

Green hydrogen

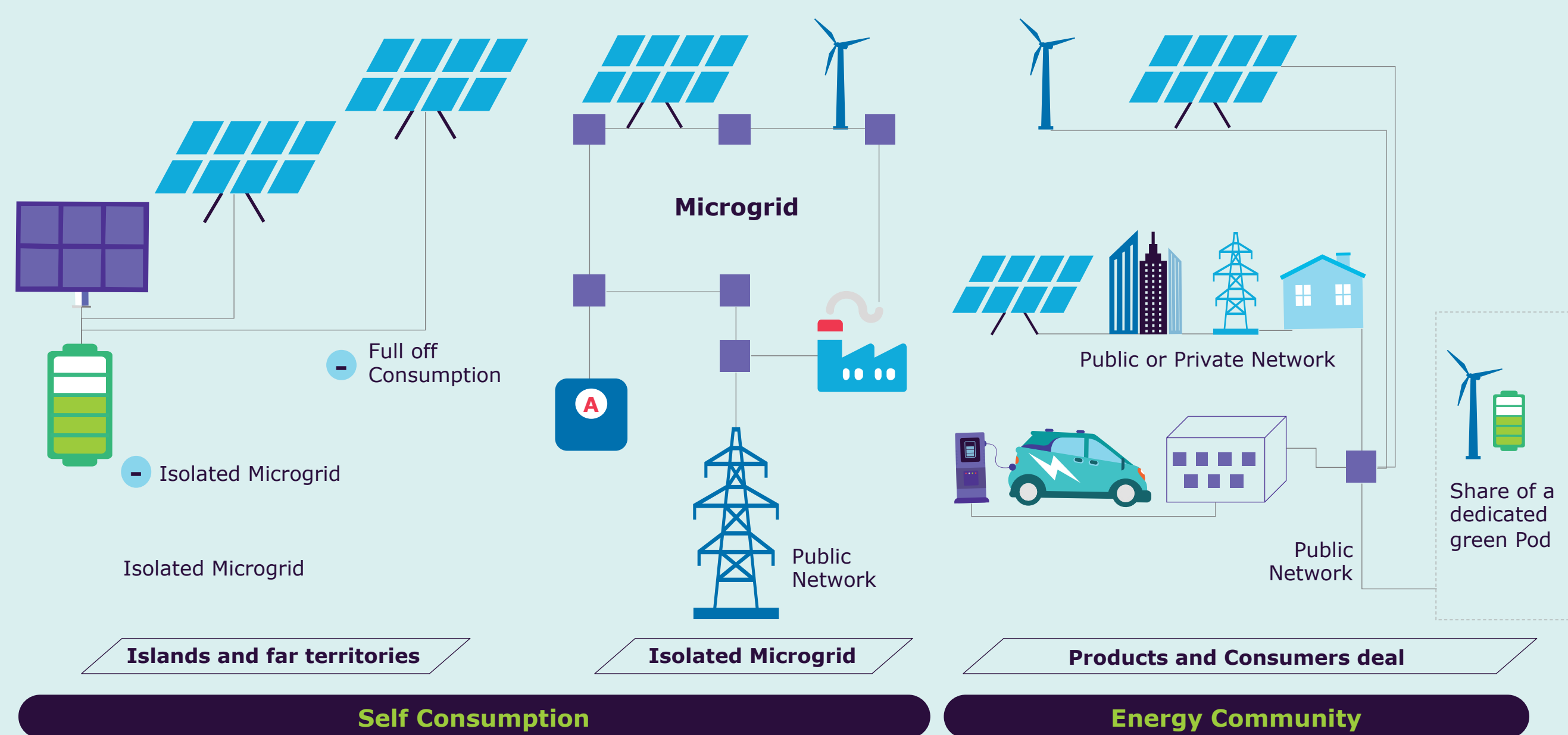
Microgrid initiatives

O&G diversification through energy transition in Europe

Green recovery packages

## Microgrids

Self-consumption is a many-fold trend supported in both the EU and U.S.



Renewable or "green" hydrogen is a critical new energy carrier for a carbon-neutral future

However, improvements in cost efficiency are needed in order to optimize this promising solution

## Green H2

Produced from renewable energy sources

## Blue H2

Produced from non-renewable sources but with low CO<sup>2</sup> emissions (e.g., CCUS, nuclear)

## Grey H2

Produced from fossil energy sources without carbon capture

3X production cost

of Green Hydrogen as compared to Grey Hydrogen in 2019

## Utilities transformation roadmaps must be reconsidered in a post-COVID world.

As companies emerge from the COVID-19 pandemic, their growth strategy will be anchored in the idea of energy transition. In this year's WEMO we urge companies to think of the transformation journey in three main steps:

### 1. Strategy

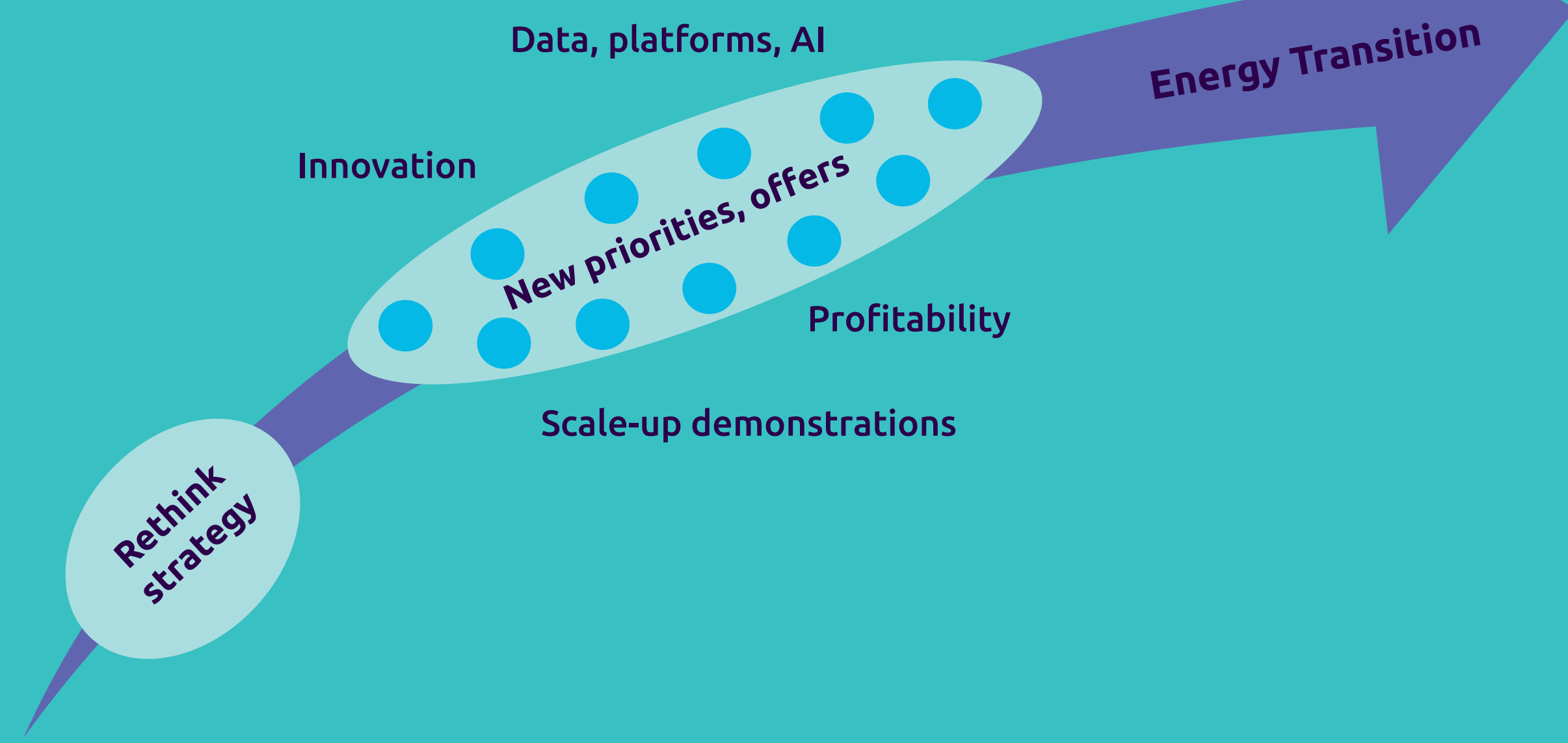
Identify one or more key areas of investment, aligned with the company's renewed sustainable mandate

### 2. Divest

Sell off stranded assets and eliminate non-core activities for the future

### 3. Scale

Execute at speed and scale in order to lead the competition



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## About WEMO

The World Energy Markets Observatory (WEMO) is Capgemini's annual thought leadership and research report that tracks the development and transformation of electricity and gas markets in Europe, North America, Australia, Southeast Asia, India and China. Now in its 22nd edition, WEMO examines the following topics: climate change & regulatory policies; energy transition; infrastructure & adequacy of supply; supply & final customer; transformation; financials; and, for the first time, the oil & gas industry. This edition also includes data and analysis for the first half of 2020 due to the extraordinary events related to COVID-19.