

The background of the top half of the page is a photograph of a park. A large, dark stone archway frames the scene, looking out onto a lush green area with many trees. In the distance, a modern glass skyscraper is visible against a clear sky. The overall lighting is bright and natural, suggesting a sunny day.

FOUR STEPS TO ACHIEVING ENERGY TRANSFORMATION AFTER COP26

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Few weeks ago, I had the honour and the pleasure of attending COP26 in Glasgow. And despite the dreary Scottish weather – and of course the grim nature of the crisis we were all there to discuss – I saw so much to be optimistic about.

First, it was great to see all the progress, like the renewed commitment to deliver on meaningful Net Zero targets by 2030, global agreement on [methane](#) reductions, the phasing down of [fossil fuels and coal](#), and the promise to end [deforestation](#) by 2030, even signed by Brazil.

Plus, all the countries coming to a consensus to come back with new plans to reduce emissions by 2030 next year.

According to the [Climate Action Tracker](#), if all ratified, promises made by governments could limit global temperature rises to 2.4 degrees – a great improvement on the 3.6 degree estimate made following the Paris climate summit in 2015.

It was also uplifting to participate in so many conversations about not just what we want to achieve – but exactly what we can do to achieve it.

One such conversation was the [panel at the World Climate Summit](#), where we discussed the global transformation of energy systems.

So what do we need to do? And where to do we start?

1. We need to increase investment in low carbon generation

Much more investment in low carbon technologies is needed now if we are to meet the growth in electrification at the same time as decarbonising electricity generation.

Currently, only [20% of energy demand is covered by electricity today](#). We MUST grow to at least 50%, while simultaneously increasing generation capacity by two to three times if we are to electrify transport and industry.

Our [annual WEMO report](#) shows that five to ten times the 2020 investment rate is required, from 300 billion to 3000 billion, from now and for the next two decades.

Therefore, it was great to see the “[Glasgow Breakthroughs](#)”, an international plan announced by the UK, outlining five key areas of focus to deliver clean and affordable technology everywhere by 2030.

It’s part of the Breakthrough Agenda, launched by the UK and a coalition of over 40 other world leaders, whose countries collectively represent 70% of global GDP.

Signatories to the [Glasgow Financial Alliance for Net Zero](#) must also commit to set 2030 climate goals as part of the package, which Chancellor Rishi Sunak called a “historic” move that could funnel more investment into low-carbon industries.

2. We must reassess administrative processes

In line with the ambition outlined in the [Glasgow Climate Pact](#), which calls for global governments to enact “rapid, deep and sustained reductions in global GHG emissions”, governments must simply and reduce administrative hurdles if we are to achieve the pace of action required for low carbon generation.

For instance, growing a wind farm, from making the final investment decision to operation, takes three years in Germany, but seven years in France!


One suggestion is for governments to designate regions and areas for green investment and then have a presumption of permission for investments in these areas. This would give a clear signal to investors on where they can and cannot invest, and dramatically streamline this all-important process.

Of course, beyond reducing hurdles, if governments are able to further help the process, so much the better!

Take, for example, the [UK Contracts for Difference \(CfD\) scheme](#), which supports low-carbon electricity generation.

I know that there are calls to review the CfDs, but it has been a key factor in decarbonizing UK Generation.

By effectively guaranteeing the long-term generation price for wind, it has allowed the UK to be very successful in establishing offshore wind.



By focusing on what we can do – or what we must do – and collaborating with the right parties, together we can power a better future for our planet.

3. We must establish a global Net Zero measurement framework

What the world needs is a consistent and recognized scientific measurement framework that goes beyond carbon, to hold governments and companies accountable for the net zero pledges that abound.

That's why the recently announced [Net Zero Tracker](#), led by the Oxford University, was a very welcome initiative. It uses key target criteria to analyse the quality of net zero targets – including target status, coverage, and planned use of offsets – and gives entities the ability to benchmark themselves against science and against their peers.

There was also the [Net Zero Standard](#), recently released by the Science Based Targets Initiative (SBTi) to provide a unified framework to help businesses set emission reduction targets in line with climate science dictated by the Intergovernmental Panel on Climate Change (IPCC).

At COP26, I was also pleased to see countries agreeing to new benchmarking initiatives, including the [International Sustainability Standards Board \(ISSB\)](#), which will merge the Climate Disclosure Standards Board (CDSB) and the Value Reporting Foundation (VRF), to create a global baseline for corporate sustainability disclosures that meet investor demands.

And the [Regulatory Energy Transition Accelerator](#), launched by regulators like the IEA, Ofgem, IRENA and the World Bank, to accelerate the global transition to low-carbon energy technologies.

All these measures will help, but there is lots more to do if we are to create a single, global framework, eliminate scepticism around empty net zero pledges and achieve real change!

4. We must consider the return-on-investment for the planet

More attention needs to be paid to every dollar invested and its impact on net zero.

Many countries have remained at the same renewable generation mix despite significant investment.

For example, France invested 150bn over 10 years but didn't reduce Co2 emission at all! (Admittedly its emissions were very low to start with due to its use of nuclear power).

We know that money talks, and the role of the private sector in addressing the complexity and scale of the climate crisis is increasingly coming into the fore.

There is growing pressure to figure out how private finance can work with public sector funding to boost global investment in climate and nature-positive technology, innovation, and infrastructure projects.

Therefore, I have been heartened to see pledges from some of the world's biggest financial institutions to mobilize trillions of dollars to help shift the global economy toward cleaner energy.

In particular, the coalition of banks, investors and insurers that collectively [control \\$130 trillion in assets committing](#) to reaching net zero emissions across its portfolio by 2050.

It will be key to bringing this ambition in line with reality. And we are already seeing some positive signals. For instance, at least 20 countries, including Italy, Canada, the United States and Denmark, together with public finance institutions, have promised to [stop public financing for overseas fossil fuels](#) by the end of 2022, diverting the cash into clean energy instead.

Getting the better future we want

COP26 gave us a glimpse of what can be achieved when the private sector, governments and policy makers, academics and community leaders come together towards the aim of protecting our planet.

In fact, President Joe Biden was recorded saying he [couldn't think of when more progress has been achieved in dealing with climate change](#).

COP26 also proved that all of us in the energy and utilities industry have been given an incredible opportunity.

Although much has been said about our industry's contribution to global CO2 emissions, we are also in a unique position to spearhead change.

By focusing on what we can do – or what we must do – and collaborating with the right parties, together we can power a better future for our planet.



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