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Westminster Energy Forum

Opportunities and challenges to accelerate a sustainable transition

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Introduction

1

Energy transition requires increased electrification of the economy, increased renewables, whilst also increasing the adoption of bio and synthetic fuels in hard-to-abate industries.

2

We have entered a new phase of energy transition with a challenging geopolitical and macro-economic landscape

3

“Energy Trilemma” replaced by a “clean energy imperative”?

4

Three key opportunities and challenges

- providing certainty around policy direction
- fixing grid bottlenecks and building out and adapting the energy system for renewables-based power
- unlocking finance

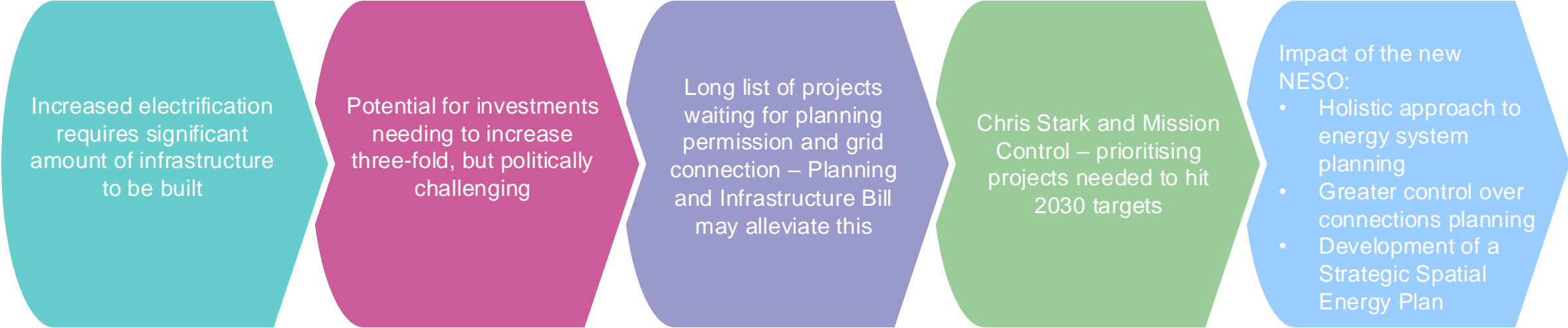


Policy Certainty

- 1 Clear policy and regulatory support is essential for new technologies where demand is low, and costs are high
- 2 UK government shift from “commitment” to “ambition”
- 3 Slow development and roll-out of policies for new technologies such as CCUS and Hydrogen risk a loss of momentum and the UK falling behind
- 4 Risk that complexity in government support also stifles or slows down investment
- 5 Renewables likely to make up the bulk of the future energy mix



Fixing Grid Bottlenecks



Unlocking finance

Growth in clean energy investment - USD 2 trillion going to clean energy technologies and infrastructure in 2024



Addressing policy uncertainty and grid bottlenecks will be key to unlocking further finance



Lenders are keen to invest in clean technology, including new technologies, but funding at risk due to lengthy project timelines, policy uncertainty and complexity and higher interest rates



Scope to unlock funding from pension, infrastructure and sovereign wealth funds – essential for early projects to become operational and develop a track record





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