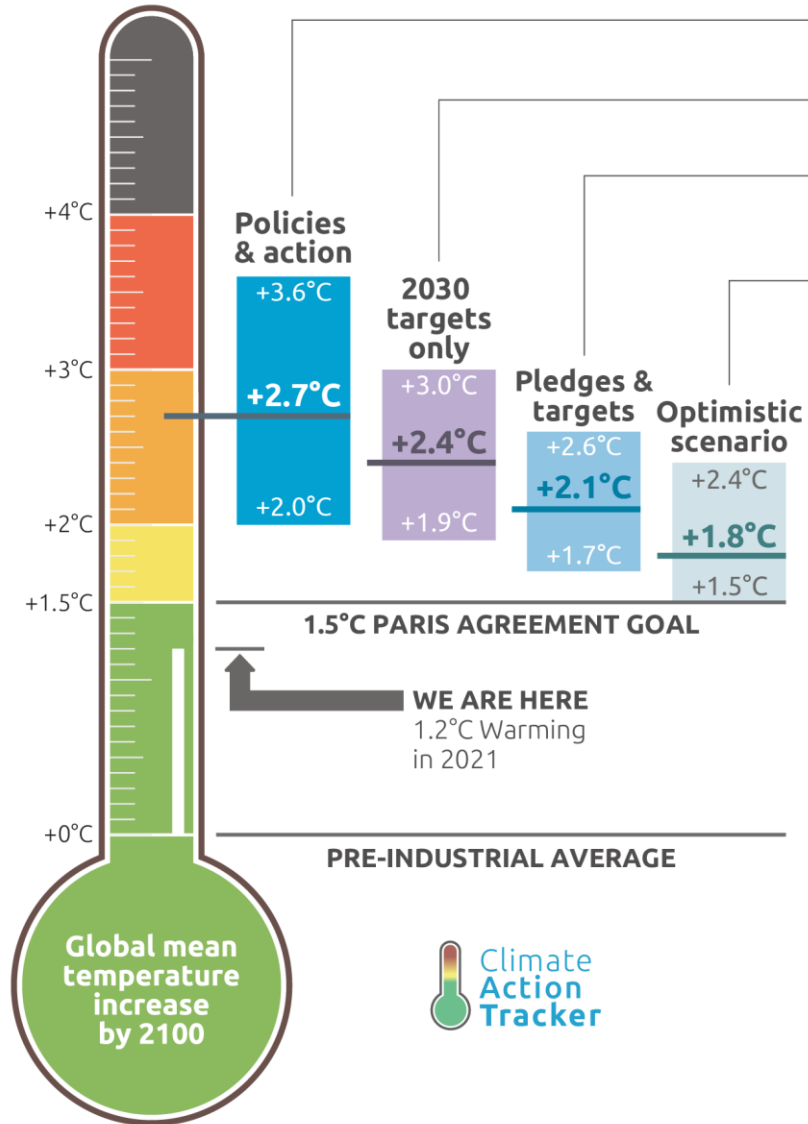


The world is heading to 2.7°C of warming



Policies & action
Real world action based on current policies

2030 targets only
Full implementation of 2030 NDC targets*

Pledges & targets
Full implementation of submitted and binding long-term targets and 2030 NDC targets*

Optimistic scenario
Best case scenario and assumes full implementation of all **announced** targets including net zero targets, LTSs and NDCs*

* If 2030 NDC targets are weaker than projected emissions levels under policies & action, we use levels from policy & action

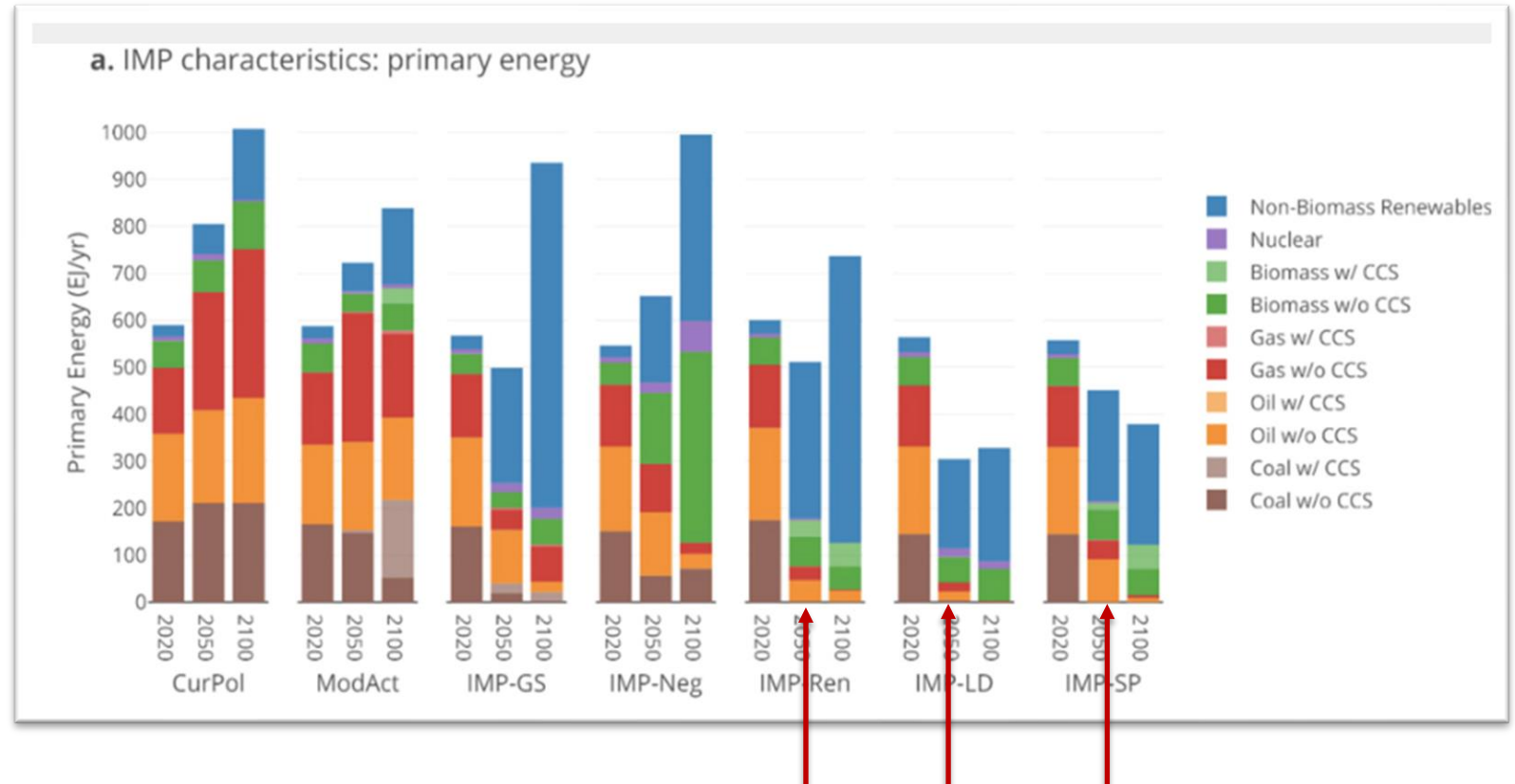
CAT warming projections
Global temperature increase by 2100
November 2021 Update

- **2030 targets** alone lead to end of century warming of 2.4°C
- All **announced** targets – warming of 1.8°C by the end of the century
- Targets are essential, but mean little in absence of policies and measures to meet them
- **Policy** implementation is slow
- Under current policies, end of century warming will be 2.7°C

Gas is not a sustainable solution for long-term decarbonisation

Under 1.5 degree compatible scenarios:

- No new oil & gas production from now on
- Global gas demand should already be declining
- Minimal unabated gas use in 2050 compared to today's levels
- Major increase in renewable energy



Fossil gas (red bars) needs to be greatly reduced now, to minimal shares by 2050, under 1.5C pathways with limited to no overshoot!

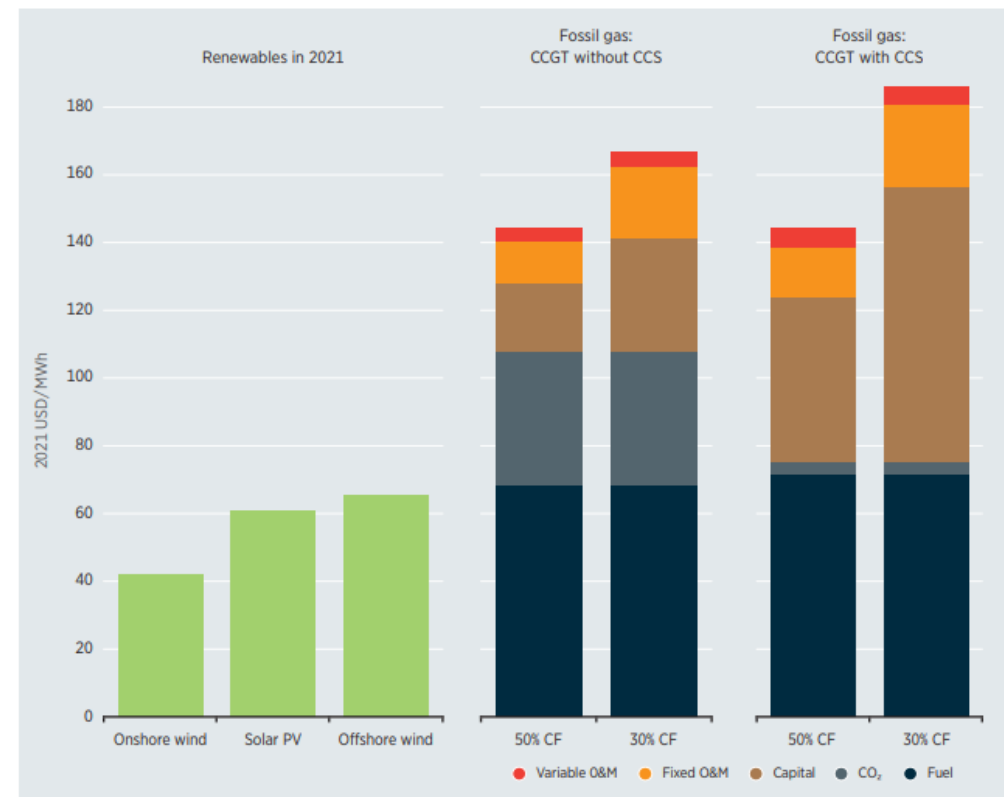
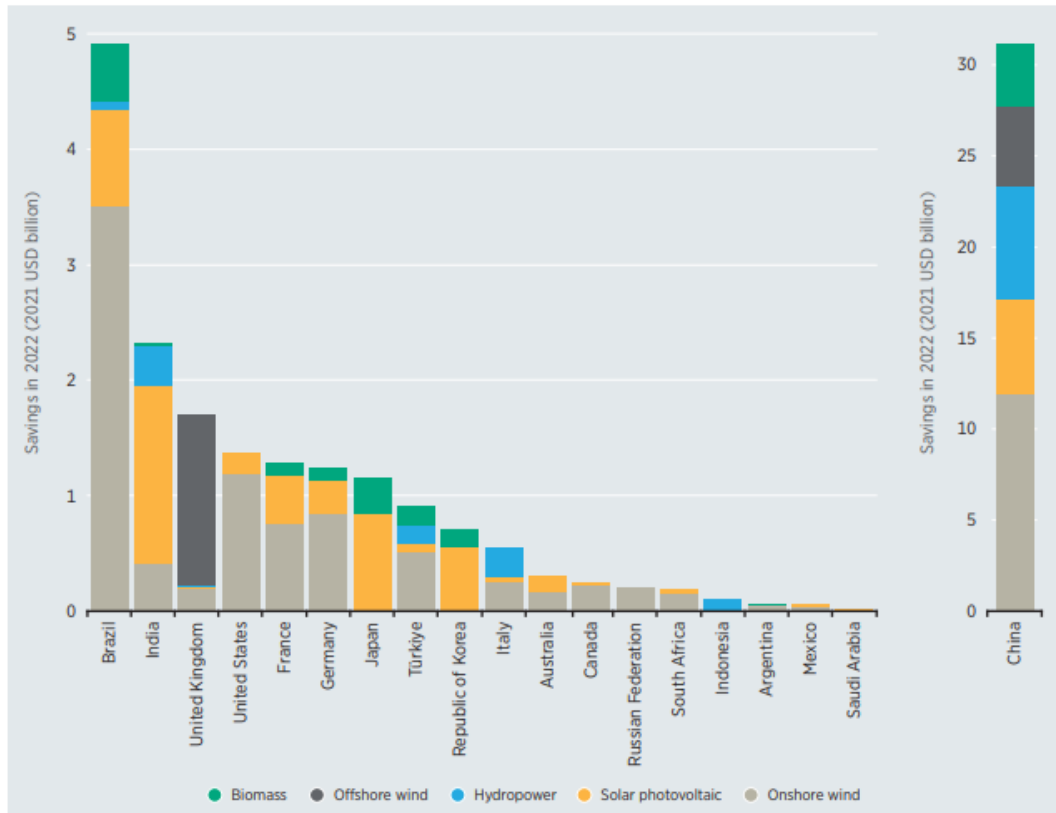
Source: [IPCC](https://www.ipcc.org/)

Nor is gas a cost-effective solution for the power sector

According to IRENA, USD 55 bn will be saved in global power generation costs in 2022 thanks to renewable energy capacity added in 2021 alone

Est. savings in 2022 from new RE capacity added in 2021 that displaces fossil fuel generation, by G20 country and generation technology (source: [IRENA](#))

LCOE of new solar PV, onshore and offshore wind in Europe compared to fossil gas-fired CCGT plants, 2021/2025 (source: [IRENA](#))











Climate Action Tracker
**Global reaction to energy crisis
risks zero carbon transition**

Analysis of government responses to Russia's invasion of Ukraine
June 2022

RESPONSES TO THE GLOBAL ENERGY CRISIS

Dash for gas undermines efforts to increase Paris ambition

	✗ DON'TS	✓ DO'S
 Fossil gas infrastructure	<ul style="list-style-type: none"> ▶ Expand fossil gas import infrastructure ▶ Expand or support fossil gas export infrastructure 	<ul style="list-style-type: none"> ▶ Halt expansion of fossil gas fuel infrastructure
 Fossil fuel supply	<ul style="list-style-type: none"> ▶ Expand domestic production ▶ Sign new or expand oil, gas and coal import contracts ▶ Purchase discounted Russian oil, gas or coal 	<ul style="list-style-type: none"> ▶ Disincentivise domestic production
 Renewables & decarbonised power	<ul style="list-style-type: none"> ▶ Relax plans to reduce emissions (incl. carbon tax, coal phase out, higher standards for industries) ▶ Invest in or promote "blue" hydrogen 	<ul style="list-style-type: none"> ▶ Ramp up deployment of renewable energy ▶ Ramp up green hydrogen production ▶ Reinvest windfall profits of fossil fuel energy revenues in renewables
 Price incentives	<ul style="list-style-type: none"> ▶ Reduce taxes on petrol, diesel or car commuting ▶ Subsidise a share of consumer energy bills ▶ Provide tax breaks for energy intensive industry 	<ul style="list-style-type: none"> ▶ Reduce oil and gas subsidies, and raise or introduce CO₂ price when prices fall
 Behavioural change		<ul style="list-style-type: none"> ▶ Incentivise slower driving using speed limits ▶ Incentivise reducing room temperature ▶ Incentivise reducing individual car use
 Efficiency and electrification	<ul style="list-style-type: none"> ▶ Loosen efficiency regulations 	<ul style="list-style-type: none"> ▶ Accelerate electrification in the transport sector / incentivise zero-emission vehicles ▶ Accelerate electrification in the industry / stir innovation / R&D ▶ Incentivise heat pumps and district heating and phase out gas boilers ▶ Enhance sector performance standards in industry and buildings

- The rush to build new gas infrastructure around the world to replace Russian gas will either lock the world into irreversible warming, or create a mass of stranded assets
- After failing to focus on climate during COVID-19 recovery, many governments look set to make the same mistake in the face of a global energy shock
- There are many underused options to reorient energy supply away from fossil fuels

Nearly all major gas exporters gearing increased production

Increased gas production & exports planned in:




- USA, Canada, Algeria, Qatar, Norway, Australia, UAE, Algeria, Egypt, etc.

But there also some positive developments on renewable energy:

- EU proposing to increase renewable energy target from 40% to 45% in 2030
- Major step forward in the US with Inflation Reduction Act & tax credits for renewables
- Many other governments also moving ahead with increased renewables

THE DO'S AND DON'TS OF ENERGY CRISIS RESPONSE

Key interventions for governments

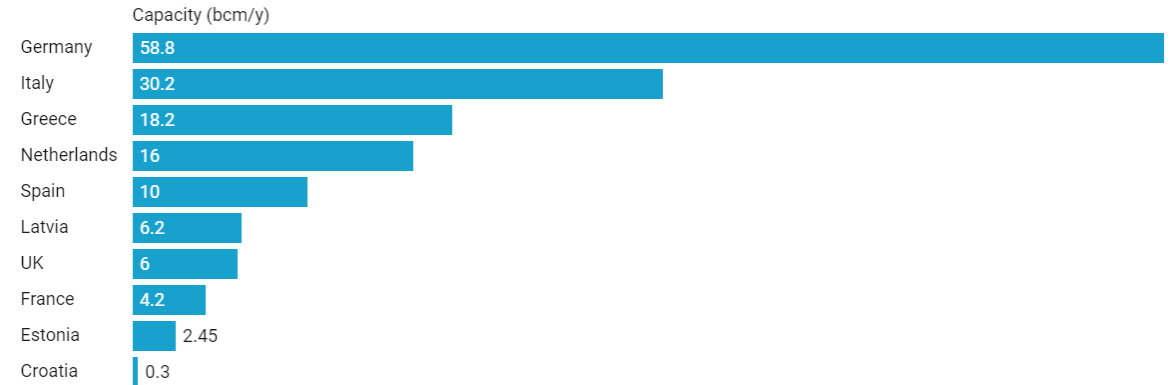
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New gas import plans already exceed imports from Russia

- Total EU gas consumption in 2021 was at 412 bcm, 338 bcm of which was imported, **155 bcm** from Russia
- **~150 bcm** of planned new LNG capacity in the EU in addition to new pipeline imports
 - Most of it won't be ready in time to mitigate the current crisis

Europe's LNG rush

Breakdown of announced boosts to LNG import terminal capacity, including expansions of operating terminals



As of May 16, 2022, not all newly announced projects have confirmed their planned capacity volumes, including a proposed FSRU terminal in Estonia with expected capacity of ~2.5 bcm/y.

Source: Global Energy Monitor • Created with [Datavrapper](#)

EU can address the crisis without new long-term gas infrastructure

Reducing gas demand is the primary solution for the coming winter

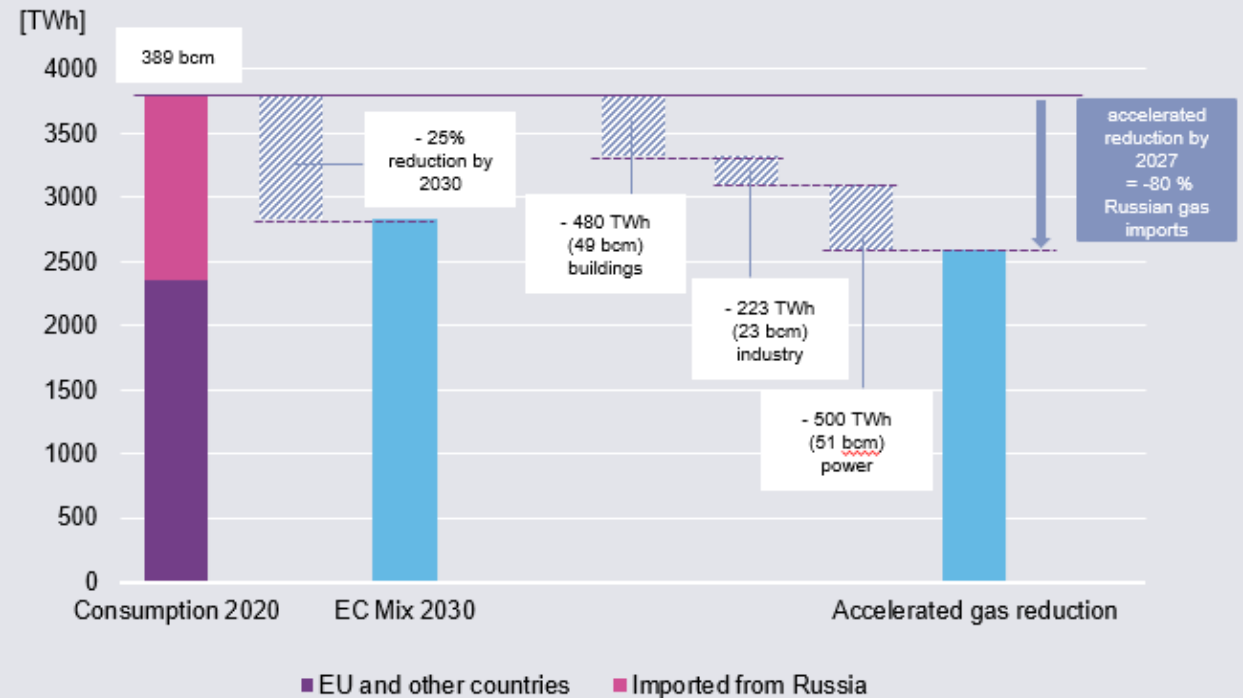
- European Union members agreed to reduce gas demand by 15%
- Measures: energy savings & fuel switching

No new pipelines or onshore LNG projects needed with:

- Rapid acceleration in RE deployment
- Maximised energy efficiency measures
- Accelerated electrification in industry
- Temporary increase in LNG imports via floating terminals

Source: [ECF](#)

EU-27 fossil gas consumption and reduction potentials



Agora based on modelling from [Artelys](#), Wuppertal Institute and TEP Energy

THANK YOU FOR YOUR ATTENTION