



# RACE TO ZERO

## Dialogues

### Outcome Document “Energy Dialogue”

Monday 16<sup>th</sup> November 2020

Organised by IRENA, convened by Climate Action Champions

## Key Messages

1. The transformation to a low carbon energy system is already underway. Ambition is increasing as more energy companies join the Race to Zero campaign. Energy transformation will progress as renewables outcompete alternatives, policy frameworks further strengthen, more companies demand renewable energy, investors and energy companies further commit to driving the transition together and low cost green hydrogen unlocks hard-to-decarbonise sectors.
2. In the context of COVID-19, the energy transition can represent a far-sighted investment, as part of stimulus and recovery plans, helping to create much-needed jobs and put the energy sector on track for a 1.5°C future by 2050

Given the pervasive nature of energy, these outcomes could also be of interest for the industry, transport, built environment and finance sectors.

## Supporting the narrative

### *Race to Zero Ambition*

- Multiple energy sector actors highlighted the criticality of actions to achieve net-zero by 2050 at the latest, as well as the potential of COVID-19 recovery measures to trigger a decisive shift towards resilient and sustainable energy systems.
- Demonstrated growing momentum to ramp up green hydrogen adoption in the next 5-6 years, based on ambitious policy frameworks and real-world projects under development.
- Energy sector stakeholders highlighted how and why they are taking climate action. New companies, such as British energy companies SSE and Good Energy, recently joined the Race to Zero campaign.

### *Climate Action Pathways*

- Support for relevant climate action pathways built through:
  - Video montage demonstrating stakeholder views on climate action pathways
  - Support for aligning COVID recovery plans with long-term sustainable energy system goals
  - World leading examples of green hydrogen policy leadership in Chile and EU as part of the COVID recovery, and business actions under way to deliver cost-effective green hydrogen production in the next few years
  - CA100+ investors presented outline power sector decarbonisation strategy approach and launched a consultation on its implementation
  - Demonstration that the renewable electricity transition is happening; tangible examples of corporate renewables procurement action from AB Inbev, Google, Infosys and Ricoh. RE100 membership has grown over 20% in the last year to 268 companies.
  - Call to action to companies to sign up to RE100 and commit to sourcing 100% of electricity from renewable resources and to governments to create supportive



policy frameworks and remove barriers, to facilitate 100% renewable energy sourcing

- New research from We Mean Business and University College London presented showing that wind and solar generation expansion on track for 1.5 degree world given the exponential 'S-curve' dynamics seen in the sector. Further action needed from policymakers to ensure early successes are built on and the decarbonisation of the power sector is realised.
- New understanding of how individual energy companies such as Orsted have reinvented their business models for the energy transformation
- In terms of pathway actions to be completed by COP26:
  - Aim for 400 companies to be signed up to RE100 membership, committing to 100% corporate renewable energy procurement
  - Policymakers are aware of RE100 renewable energy policy asks, and the economic benefit to be gained from enabling corporate sourcing. Outcome by COP26: 5 new markets are actively committed to improving corporate sourcing
  - Full activation of sector decarbonisation strategies by power/oil & gas companies and investors with initiation of year 1 actions
  - Continued efforts to scale up renewables and required green hydrogen production on a climate-aligned trajectory

**2019 United Nations Climate Action Summit**

- *How did the Dialogues take forward and scale up the transformational outcomes of the UN SG Summit to accelerate transition?*
- N/A

## Today's Dialogues' Session Highlights

Session name & lead partner	Highlights from the session (max 100 words per session)
Recovering Better: How Sustainable Energy Can Light the Way (IRENA)	Participants highlighted the potential of COVID-19 recovery measures to trigger a decisive shift towards resilient and sustainable energy system, aligning these short-term strategies with long-term goals. This is an opportunity that should not be wasted. It would bring benefits of economic growth, green jobs, lower CO2 emissions and better health outcomes. Sufficient policy and legal frameworks, as well as investment in innovation, infrastructure, and flexible systems, are needed to accelerate the transition to sustainable energy. Investments must also flow to training a workforce that can deliver low-carbon energy. Participation at the local, national, and regional levels are vital to not only win the race to zero on energy, but also poverty.
Green Hydrogen for a Renewable Powered Future (IRENA)	Participants noted that the inflection point of awareness and ambition in green hydrogen has passed due to its potential use in decarbonising hard-to-abate sectors and the rapid reductions in renewable power costs and emerging plans to expand production capacity in Europe and elsewhere. There was a general consensus that green hydrogen should be prioritised, compared to other sources of hydrogen. More and more countries and companies now have bold green hydrogen targets, as it is an essential part of the net-zero strategy. Participants noted the importance of building demand and increasing investments in supporting infrastructure to store, dispatch and transport green hydrogen. Participants noted green hydrogen will be cost effective with low carbon alternatives in the next years, while further innovation can help to ensure green hydrogen is widely economically viable. Participants also stressed the importance of incorporating green hydrogen in long-term strategies, such as NDCs. Global collective action will be essential to delivering green hydrogen on an accelerated timeframe compatible with a 1.5° trajectory.
Implementing a Net Zero Energy Sector Strategy (CA100+, in partnership with CDP and the We Mean Business coalition)	Participants highlighted the opportunity for investors and companies to work together to accelerate the decarbonisation of the energy sector. CA100+ launched a consultation for the net zero sector strategy in the power sector. Multiple companies showcased their commitment to climate action, e.g. SSE joined Race to Zero. Prof Michael Grubb from UCL showed that rates of wind and solar



	<p>generation expansion are on track for a 1.5 trajectory. Discussing what the energy transition will require from companies were Orsted, who have converted from an oil &amp; gas company to an electric utility, and Shell, a company who have announced their net-zero intention by 2050. This dialogue was moderated by CDP, who highlighted the Science Based Targets Initiative new oil &amp; gas methodology to be released shortly.</p>
<p>Market Driven Renewable Electricity Transition (RE100)</p>	<p>Companies and governments highlighted the benefits of corporate renewable energy procurement, as a way of providing cost competitive electricity, decarbonising supply chains and providing local economic benefits. A call to action was issued for (i) more companies to step up and sign up to RE100 and commit to sourcing 100% of electricity from renewable resources (ii) governments to create supportive policy frameworks and remove barriers to sourcing 100% renewable energy</p>