

The following are excerpts from two online articles which report on the global shift to clean energy technology, the challenges associated to that transition and industry efforts to move away from fossil fuels generally. All content is referenced in detail below.

In this week's news feature, The Times covers climate change advocate Al Gore and his recent insights on the undeniable global trend toward greater investment in clean energy. Additionally, Reuters reports on developing nations seeking demands for heightened investment in green energy initiatives, which are expected to be a significant topic at COP29 later this year.



Al Gore: ‘Investors now realise fossil fuels aren’t the future’

The Times (2024) opinion piece on Al Gore reports how he believes the world is approaching a turning point on financing clean energy. Stressing the point, Gore informs us that roughly 80 per cent of all power generation installed last year was either wind or solar:

When Al Gore appears onscreen via Zoom, two things are immediately familiar. That Tennessee drawl, and his backdrop: an image from outer space showing the thin blue line that separates the earth’s lower atmosphere, the troposphere, from the great beyond.

“That’s the part that has the air we breathe,” he said. “It’s so thin that if you could drive a car straight up in the air at interstate highway speeds, you would get to the top of that thin blue line in five to seven minutes. And that is what we’re using as an open sewer for all of the fossil fuel pollution.” Gore, 76, has been banging the climate change drum for decades. Long before *An Inconvenient Truth*, his Oscar-winning 2006 documentary, and even before his eight years as Bill Clinton’s vice-president from 1993 to 2001. But he reckons that after years of shouting into the wind, the world is approaching a turning point on climate investing, where profit motive meets a collective acceptance that the modern economy must be rebuilt without fossil fuels.

“Once the central dilemma is revealed as a choice between what’s clearly right and what’s clearly wrong, then the outcome at a deep level becomes foreordained,” he said. His optimism isn’t based on vibes, but data. Gore chairs one of the world’s top green investment firms, Generation Investment Management, and last month the London and San Francisco-based firm published some stark figures that lay bare both the huge leaps in clean-energy alternatives and the incredible staying power of entrenched industries.

Globally, roughly 80 per cent of all new power generation installed last year was either wind or solar. For every \$1 invested in fossil-fuel development, \$2 was spent last year on clean energy infrastructure, twice the rate of five years ago. Even with a slowdown in America, Britain and other western countries, electric vehicle sales surged by 37 per cent. "There is reason," he said, "for genuine optimism."

The Times (2024)

The Times (2024) acknowledges the advances made in green investment since the launch of Gore's hugely successful Generation Investment Management firm 20 years ago. However, Gore voices his concerns that both industries and governments are lagging in meeting their "net zero" targets, despite public commitments made for the first time to move away from fossil fuels at last December's UN climate change conference:

Gore is far from complacent. At the UN climate change conference in Dubai last December, countries for the first time publicly agreed to transition away from fossil fuels. And yet the plan was left frustratingly toothless and vague. Industries and governments are running woefully behind on their "net zero" pledges.

Indeed, in Britain green energy backers were last week celebrating the closure of the Ratcliffe-on-Soar station in Nottinghamshire, Britain's last coal-fired power plant. Yet China operates a fleet of more than 1,100 and last year alone fired up 47GW worth of new coal-fired plants, enough to power Britain. Gore reckons that, despite the setbacks, a series of factors are converging to quicken the pace of climate investment. One is climate change itself. Experts predict that increasingly frequent droughts, famine, hurricanes and floods could turn more than one billion people into climate refugees by 2050, raising the spectre of wars and civil strife.



Another factor is the oil industry's ballooning legal problems. California sued five companies last year — BP, Shell, ExxonMobil, ConocoPhillips and Chevron — over what it claimed was the industry's intimate knowledge of the harm it was causing and then orchestrating a campaign to cover it up. The goal for Rob Bonta, California's attorney general, is to force the sector to fund a huge climate "abatement fund" similar to the landmark \$206 billion fund agreed in 1998 in a Big Tobacco settlement.

He expects dozens of other states to follow his lead. "There's 30 suits already filed by cities, counties and states, but I think you'll see double, triple, quadruple that in terms of entities that sue as they learn more about the case," he said in May. Momentum is also building in Europe. In April Shell appealed against a 2021 ruling in the Hague that seeks to force the oil company to slash its emissions by 45 per cent by 2030 to align with the goals laid out in the Paris climate agreement that came into force in 2016.

"The climate crisis is a fossil fuel crisis," Gore said. "It's not that complicated."

He compared the industry's resistance — and its use of lobbying to capture the politicians and regulators with the power to force change — to other controversial issues in America, like abortion and gun rights. "The overwhelming majority in both political parties and independents want one thing, but a minoritarian cabal has figured out how to control those policy options," he said. "But over time, the law catches up and all of these lawsuits are an indication of that. The legal expense alone is now a factor for investors and fossil-fuel companies."

The Times (2024)



There are clear signs of a powerful transition to clean energy but The Times (2024) is keen to point out that financiers and investors have a critical role to play in that transition. Profitability and sustainability must go hand in hand if ESG investment is to become a cornerstone of industry going forward. Succinctly put by Larry Fink, the head of BlackRock, the world's largest investment firm..... "climate risk is investment risk" :

Another critical piece of the puzzle is Wall Street. Larry Fink, chief executive of BlackRock, the world's largest investment firm with \$10 trillion under management, made waves in 2020 when he called for "a fundamental reshaping of finance that put sustainability at the centre of our investment approach". He added: "Climate risk is investment risk." Countless companies and investment houses fell in line, signing up to net-zero goals and pledging to put environmental, social and governance (ESG) issues at the heart of their strategies. The resistance started soon after. Managers of pension funds for fossil-fuel states, such as Texas, pulled their money out of BlackRock in protest.

That trend has further ramped up the pressure on Generation Investment Management, which is hoping to prove that ESG investing can generate top returns and provide an example that red-blooded capitalists will be happy to follow. Generation has generated superior monthly returns relative to its benchmark more than 90 per cent of the time since it started trading in 2005 — but falling behind is not an option. "We will only be successful in promoting sustainable investing if we sustain credibility," it said. "We gain credibility when we generate strong returns for our clients." The odds of success, of stopping climate change and proving to investors that ESG should not be a dirty word, remain very long indeed. And yet Gore has lost none of his optimism. "We're now trapping as much extra heat as would be released by 750,000 Hiroshima-class atomic bombs exploding on the Earth every 24 hours," he said. "But we are seeing early signs of a very powerful transition. There's a big wheel moving in the right direction and some smaller wheels moving in the wrong direction. But I think that the direction of travel is clear."

The Times (2024)



World leaders call for investment in clean energy, developing nations seek help.

In a report on the recent Global Renewables Summit held in New York, Reuters (2024) highlights a worldwide commitment made at COP28 to increase green energy capacity threefold. It also emphasises the urgent need for investments to be directed towards developing countries to aid their shift away from fossil fuels.

At a Global Renewables Summit in New York, Sept 25th, world leaders called for far more investment in renewable energy to tackle climate change, with developing nations saying they need financial support to make the transition. Speaking at the Summit, Kenyan President William Ruto made the case for investing in renewables in Africa as part of the global pledge made at last year's COP28 summit to triple clean energy capacity by 2030.

"Africa receives less than 50% of global investment in renewable energy despite being home to 60% of the world's best solar opportunities," Ruto told the summit, which is being held on the sidelines of the U.N. General Assembly. The continent is rich in resources needed for development, he said, but can't always access those resources due to the current mix of "unreliable or expensive energy." Barbados Prime Minister Mia Mottley said that fossil fuel subsidies outnumber renewable energy subsidies, which makes it more expensive for small states to develop clean energy projects.

"Small states face the reality that the cost of renewable energy ... will probably be higher than traditionally fossil fuels," she said. Recent reports, including one by the International Energy Agency, suggest that tripling the world's renewable capacity is feasible within this decade. But the effort will require robust regulation including strong rules for issuing project permits as well as investments in building out transmission and battery storage.

Azerbaijan, which is hosting this year's COP29 climate summit in November, said it was planning to rally governments to make a new global pledge to increase electricity storage sixfold. Earlier in the day, a coalition of some of the world's biggest companies, finance houses and cities called Mission 2025 urged governments to adopt policies that they said could unleash up to \$1 trillion in clean energy investments by 2030. The policies include setting new capacity targets and offering tax credits or long-term electricity contracts that would encourage investment.

Reuters (2024)

Reuters(2024) continues with news of President Joe Biden’s final major speech on climate change and highlights the concern that AI may pose a threat to the transition to clean technology due to its energy demands on data centres:

Giving his final major speech on climate change at a forum attended by clean energy business leaders, U.S. President Joe Biden celebrated his \$369 billion signature climate law. "We were told it couldn't get done and we did it," he said of passing the Inflation Reduction Act in 2022, adding that the legislation has since encouraged innovation and created hundreds of thousands of jobs. "Private companies have announced investments of over \$1 trillion in clean manufacturing," he told the event. "We are just getting started."

Some companies and investors are looking at artificial intelligence technologies with excitement for the solutions they might bring but there is also concern about the energy-intensive data centers that are needed to power them. AI is "a problem, and it's part of the solution," Andres Gluski, the chief executive officer of U.S. power firm AES Corporation told Reuters in an interview. "With AI, we could come up with new materials that are better for batteries, that are better than copper," he said."If we have labour shortages, AI will help us. If we have to do demand management, AI will help us."

Reuters (2024)



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