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Red light for green agenda

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IN 2015, we were reminded of a Chaucer quote. As far as an impending climate emergency was concerned, "time and tide would wait for no man".

That was to become the battle cry of a sprint that lasted a decade – the race to net zero. Over the decade since 2015, much energy, expenditure and enthusiasm were deployed.

Relentless media coverage of climate calamities followed. We observed corporate tussles in boardrooms of fossil fuel firms, initiated by pro-climate shareholders pushing aggressive green targets.

Legal action in the courts of Europe and the United Kingdom, street demonstrations and imposition of carbon taxes in various jurisdictions also followed.

However, a war in Europe and an ill-thought-out plan to get to net zero quickly both played a role in directly or indirectly increasing the costs of energy, particularly in many countries in Europe.

It started very well in Paris in 2015. But now, we see activities related to the Paris Agreement of 2015 encountering rising tides. A total of 195 countries and the European Union signed and ratified this seminal legal agreement.

However, it seems the early enthusiasm and pace have lost momentum. As per the terms of the United Nations Framework Convention on Climate Change (UNFCCC), participating parties should formally submit their Nationally Determined Contributions (NDCs) every five years, with the last submission due on Feb 10, 2025. Only 15 of the 195 parties met the milestone.

Are delayed submissions by such a large number of climate action planners an epiphany that net-zero implementation is more costly and covers more complex issues than was anticipated?

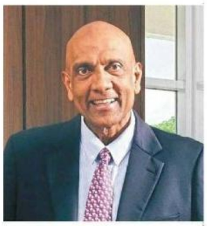
Are priorities changing amongst those who had previously eagerly bought into the net-zero narrative?

Turn of the tide

Some compelling, specific examples are available to demonstrate that Energy Transition 1.0 is faltering:

> In New Zealand, a country currently claiming (above) 80% renewable energy supply, regulations are being changed to once again promote oil and gas related activities.

> In the November 2024 Irish general election to elect the 34th Dáil, the Green Party – the third party of government – lost all but one of its 12 seats, with only leader Roderic O'Gorman returning to the Dáil.



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> In Denmark, all ongoing offshore wind tenders have been cancelled. This follows an unsuccessful tender for 3GW of offshore wind capacity, announced at the end of last year. The Danish Energy Agency disclosed that there were no bids for any of the three offshore wind farms in the North Sea offered as part of a tender called in April 2024.

> In the past month in Norway, political fractures have developed, leading to a partial collapse of the ruling coalition government. Disagreements on deciding how to respond to (expensive) European Union green energy measures are reported to be the root cause.

> In the 2025 German federal elections on Feb 23, Alliance 90/The Greens experienced a decrease in their parliamentary representation, from 118 seats previously to 85.

> In the United States, the incoming president used his inauguration speech to focus on the importance of the fossil fuel industry whilst promptly ordering the exit of his country from the Paris Agreement, effective Jan 1, 2026. Following his lead, many prominent American banks formally exited the Net-Zero Banking Alliance.

■ Only 15 of the 195 parties met the climate change submission deadline

■ An energy mix that does not include gas or LNG will not assure energy security

■ No net zero if Asia, with 60% of the global population, does not go clean and green

> It is not only the US banks that are reviewing their green goals. On Feb 20, 2025, *Reuters* reported that Europe's largest bank, HSBC, was "ditching its target of reaching net-zero carbon emissions across its business by 2030 because of slow change in the economy", compounding fears from clean energy campaigners that the world's biggest lenders are dialling back on climate pledges.

> Various large oil majors are also resetting climate-related goals. In 2024, Shell revised its 2030 net carbon intensity reduction target to a range of 15% to 20%, slightly lowering the previous 20% goal. Notably, Shell also abandoned its 2035 target of a 45% reduction, citing uncertainties in the pace of the global energy transition and a lack of a standardised system for tracking carbon emissions.

Oil major BP also recently reviewed its strategy. In 2024, under the leadership of CEO Murray Auchincloss, the company abandoned its previous target of cutting oil and gas production by 25% by 2030, opting instead to focus on new investments in fossil fuel projects.

Given some of the considerations presented above, it seems that we have arrived at the "net-zero dead tide" – a period in the net-zero race when interest in achieving the green agenda has reached the highest point of its cycle.

In retrospect, the difficulties were always clear. Populist policies, designed to meet short-term political goals and not address logical, long-term energy security strategies needed to safeguard the economic foundations of nations, were quickly implemented.

What was not considered in detail was the fact that subsidies, tariffs and taxes underpin the climate economics of developed nations, while those living in the global south, making up the majority of the people on the planet, rely on diligence, productivity and competence to earn a basic wage.

While the gap between the northern "wealthy" and the southern "have-nots" remains wide, the chance of a smooth energy transition would be remote.

What could Energy 2.0 – look like?

Regional transition groupings

Many have referred to the annual United Nations Conference of the Parties (or COP) events as the "mother of all greenwashing exercises".

Thousands travel to exotic locations, and words and ideas are exchanged, but policy progress is slow, and positive actions are even more lethargic. The COP agenda needs to be transferred to agile regional groupings of nations for faster, more appropriate, climate strategies to be devised and implemented.

Working in smaller groupings allows a "whole of society" approach as localised initiatives will be more meaningful and impactful. Asean is one such opportunity, with 675 million people in need of modern energy infrastructure.

The past decade has affirmed that an energy mix that does not include gas or liquefied natural gas or LNG over the long-term will not assure energy security. Investment in the continued supply of fossil fuels must be supported.

Prepare for the nuclear option

The public mindset must be shaped and shifted so that nuclear options may be realistically considered when technically ready. Small modular reactors are coming of age and will soon be the only feasible clean option available to meet large-scale energy demands.

To date, the focus has been on climate risk mitigation strategies.

Climate risk considerations in urban planning policies and integrating adaptation guidelines, must be considered, particularly in emerging economies.

An energy transition is not a sprint. It is, in fact, an ultra-marathon. This is a marathon fuelled by adequate funding (which generates tangible returns) and strong leadership that walks the talk and not one that flips flops out of its commitment to the Paris Agreement.

There is no net zero if Asia, where 60% of the global population resides, does not go clean and green.

Perhaps now is the time for Asia to take the lead in implementing Energy Transition 2.0.