



Utilities for Net Zero Action Plan: Pathway from COP28 to 2030

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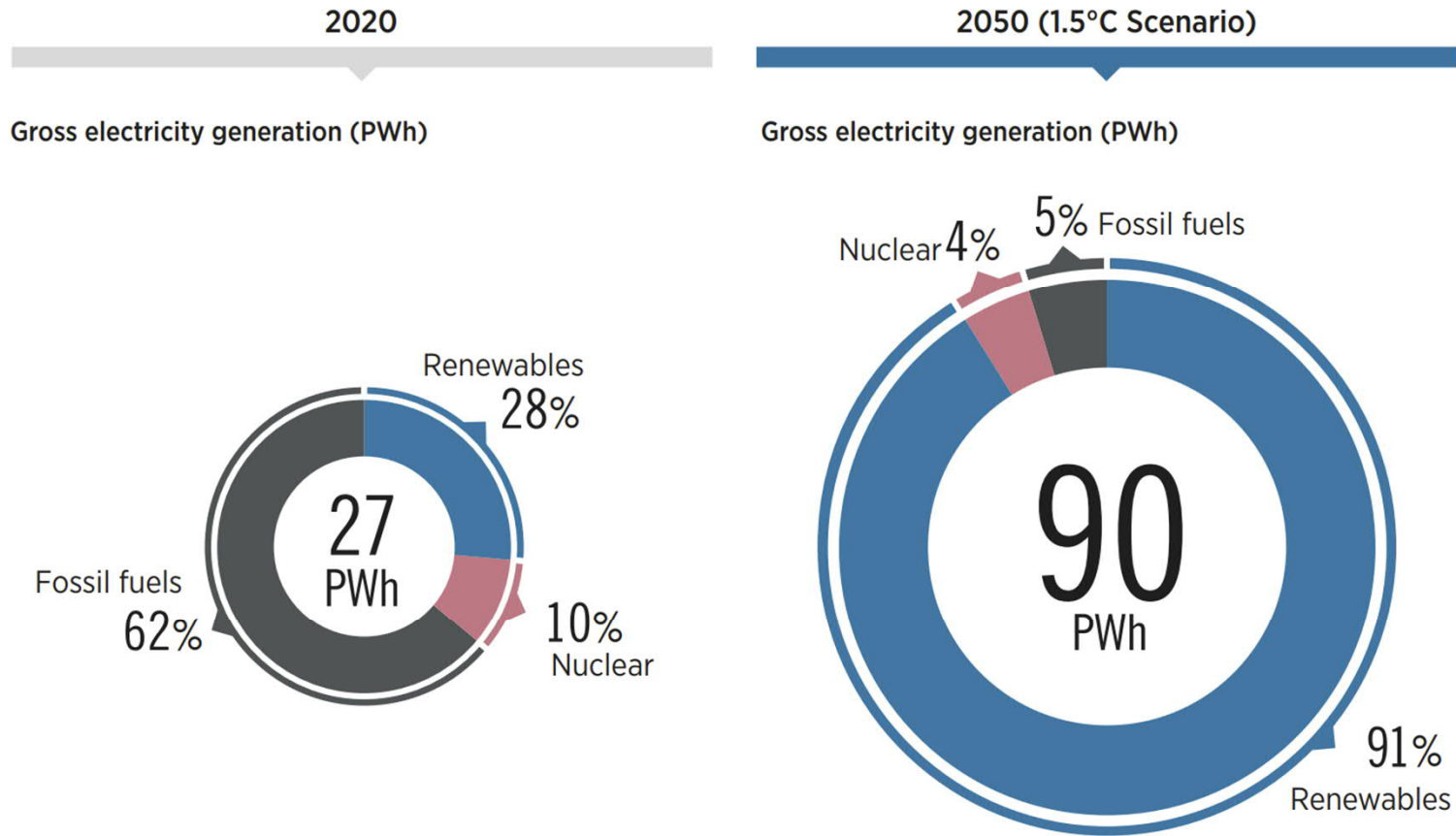
High-level overview

August, 2023



Pathway to net zero

Power generation needs to more than triple by 2050



Note: PWh = petawatt hours.

Key energy transition pillars

PHYSICAL INFRASTRUCTURE: forward-looking planning, modernisation and expansion of supporting infrastructure on land and sea to facilitate the development, storage, distribution and transmission, and consumption of renewables. Infrastructure should facilitate national, regional and global strategies for new supply-demand dynamics.

POLICY AND REGULATORY ENABLERS: design of policy and regulatory frameworks that facilitate deployment, integration and trade of renewables-based energy, improve socio-economic and environmental outcomes and promote equity and inclusion. These need to enable the energy transition at various levels, from local to global, and reflect new supply-demand dynamics.

SKILLS AND CAPACITIES: awareness- and capacity-building institutions, communities and individuals to acquire the requisite skills, knowledge and expertise to drive and sustain the energy transition. Strengthened institutions, social dialogue and collective bargaining will help bring about greater socio-economic benefits.

A summary of this initiative

PRELIMINARY

Why we are together



- Decarbonizing the utility sector is a key element of the global energy transition, but it is also a complex task that requires collaboration and laser focus on cooperation and investment in specific areas across the value chain.
- The Utilities sector's voice is not loud enough within the climate and decarbonization space – many show significant ambition but efforts should be well understood and – in parallel – barriers to realizing current goals must be overcome.
- The World Utility Congress CEO roundtable successfully set the stage for collaboration emphasizing the need for immediate action, leveraging COP28 as a catalyst for action.

Who we are



- A voluntary CEO-led initiative with diverse representation of players across the globe and the entire value chain.
- As of today, 17 participants showed interest and outreach efforts remain ongoing to continually expand the group of participants.
- Strong support from key global institutions such as IRENA, BNEF and WEF. Recently, during the WEF Electricity Industry Governors Community Meeting and through cooperation with IRENA and COP28.
- Participating utilities represent
 - 90+ mn customers in 40 countries
 - 200+ GW clean energy¹ capacity
 - 3+ mn km T&D grids
 - 300+ k FTEs

What we aim to do



- Present a unified, collective and powerful voice from the sector at COP28, reinforcing the fact that utilities are driving the transition to net zero.
- Unlock and overcome barriers to the realization of joint ambition, by taking collective actions in the following six areas:
 - Accelerating physical transition along value chain from clean power development, via grid expansion to demand electrification, coupled with overarching energy efficiency improvement and technology innovations
 - Sustainable execution of actions, addressing challenges for the Global South, preserving jobs and fostering circular economy
- Prioritize four action pillars
 - Mobilize capital
 - De-risk supply chain
 - Build capability and talent
 - Facilitate regulatory support

How we work together



- CEO-steering committees set strategic directions, approve public products and ensure top-down decision-making
- TAQA facilitates the collaboration with working team members, supported by IRENA and WEF
- Regular connections among working members to maintain connectivity and drive alignment of the initiative
- Impactful announcement at COP28 to maintain momentum
- At COP28, the goal is to first announce the plan of action and then announce the formation of a Utilities Alliance for Net Zero in cooperation with key partners to facilitate the modalities.
- The governance structure and operating model of the initiative will be collaboratively defined and refined by the participants at a later stage to support the long-term partnerships

Utilities for Net Zero Action Plan

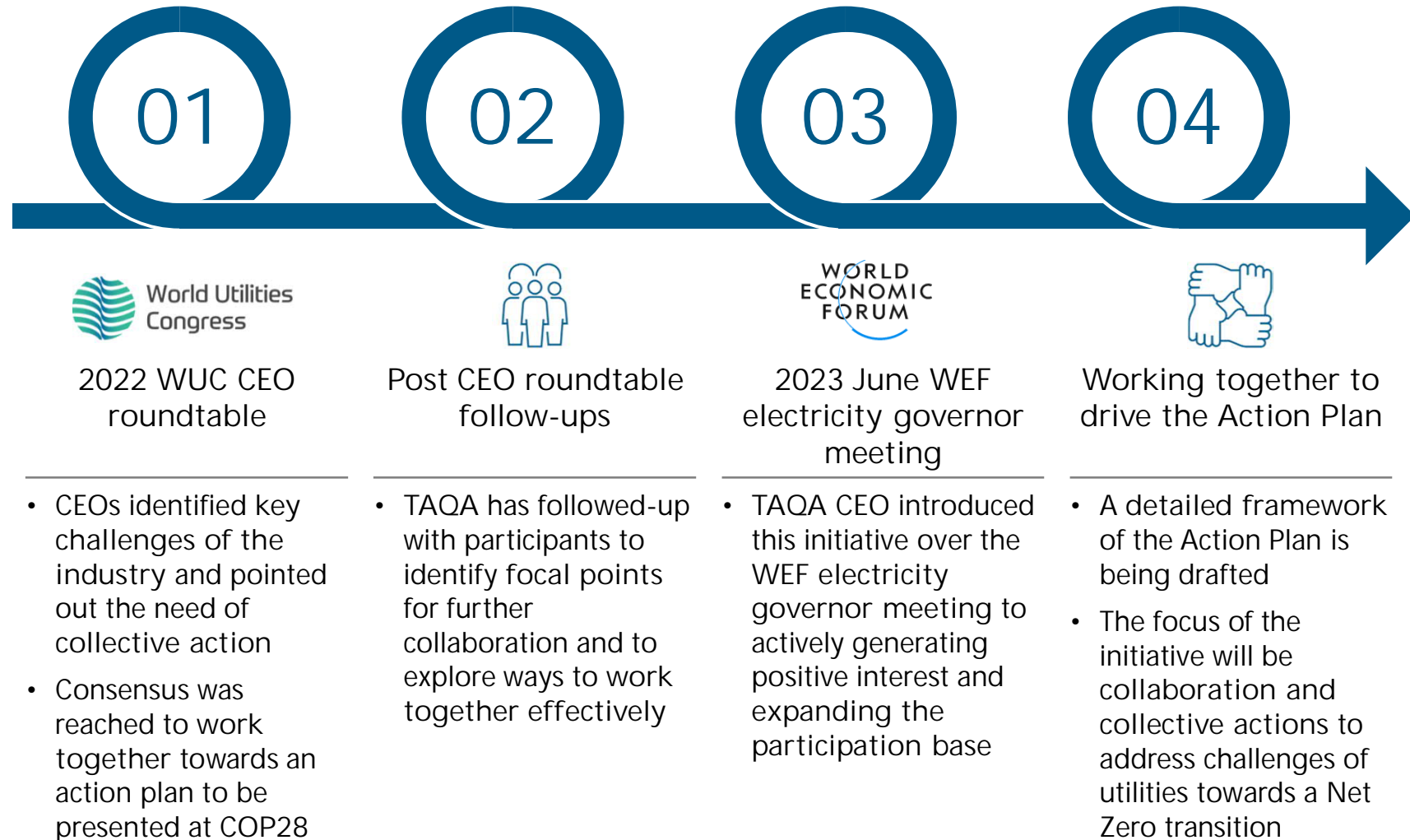
Materialising ambition under a Utilities for Net Zero Alliance (UNEZA)

Draft positioning

1. The utilities sector is on the frontlines of the global energy transition and is key to the pursuit of net zero. In most net zero pathway scenarios, the power sector must achieve net zero ahead of the wider global economy, enabling the decarbonization of other sectors.
2. While the power system is transforming at incredible speed, the sector has not yet presented a strong, unified position in response to climate change in a way that the finance community has. The industry's diverse stakeholder audience should be left in no doubt about the scale of existing utility sector ambition.
3. Despite growing momentum, utility sector progress threatens to be held back by challenges such as regulatory barriers, availability of low-cost capital and supply chain constraints. To overcome these challenges and clear a pathway to the realization of existing ambition by 2030, the sector needs a new framework for cooperation and engagement that is high-level, targeted and meaningful.
4. A declaration of ambition and a roadmap to its realization will form the basis of a Utilities for Net Zero Action Plan. This plan reflects the COP28 action focused agenda, and lays down a pragmatic, quantifiable and measurable series of actions for the community of utilities to rally behind as they seek to ensure their ambitions materialize.
5. With a roadmap in place, the signatories to the Plan and its objectives will frame the development of a Utilities for Net Zero Alliance. The work of the Alliance serves to facilitate exchange, dialogue and cooperation in order to overcome existing barriers as identified in the Plan. The Alliance will leverage existing major platforms (Davos, IRENA Assembly, World Utilities Congress).



As the UAE's largest utility, TAQA has initiated a Utilities for Net Zero Action Plan for COP28, designed as a joint industry initiative



TAQA has successfully hosted the World Utility Congress – CEO roundtable in Abu Dhabi, where CEOs have agreed to collaborate and work together towards a global utility action plan to address challenges for the Net Zero Transition, emphasizing the need for immediate action

Building on this momentum, TAQA has taken the lead and made great progress in expanding to new participation and advancing the plan framework, to foster collaboration and seek alignment for the official launch at COP28

The Utilities for Net Zero Action Plan aims to amplify a joint voice, prioritize collective actions, and foster long-term partnerships and ecosystems

Joint voice



Amplify joint voice of the power industry, by uniting power utility companies globally and engaging the whole value chain

Collective actions



Prioritize collaboration and collective actions to address key challenges for a sustainable Net Zero Transition

Partnerships and ecosystems



Emphasize sustained efforts and long-term impact in driving decarbonization through partnerships and ecosystems for collaborative investments, knowledge sharing etc.

Guiding principles



- Respect individual goals and strategies ensuring we present a 'collective' action agenda that does not impose additional target on utilities
- Uphold fair competition principles and foster a collaborative environment among utility companies, without disrupting any competition principles or market dynamics
- Adhere strictly to local policies and regulations, respecting and working in established regulatory frameworks without any intention to interfere

Going beyond ambition... towards action: Four Action Pillars to frame utility sector collaboration, enabling the realization of Action Plan

The four Action Pillars identified by utilities stakeholders as key enablers of the Action Plan (six areas). Cooperation between the utilities sector post COP28 (under an Utilities for Net Zero Alliance) will focus on addressing the Action Pillars.

Four Enabling Action Pillars


Action Plan Framework


Six Focus Areas ↓


 Mobilize capital

 De-risk supply chain


 Build capabilities and talent


 Facilitate Policy & regulatory support

 Buildout of clean power¹ and decarbonization of thermal

 Build up reliable and flexible grid infrastructure

 Drive wide-spread adoption of electrification

 Improve Energy Efficiency

 Promote technological innovation

 Sustainable execution of actions

Take proactive measures to address limited financial resources

Mobilize capital by actively implementing business invitations

Diversify sourcing to mitigate supply chain vulnerabilities

Collaborate to address shortages in manufacturing capability

Enhance installation capabilities by upskilling the workforce and fostering collaboration with other sectors

Establish knowledge dissemination platforms and modernize operational capabilities

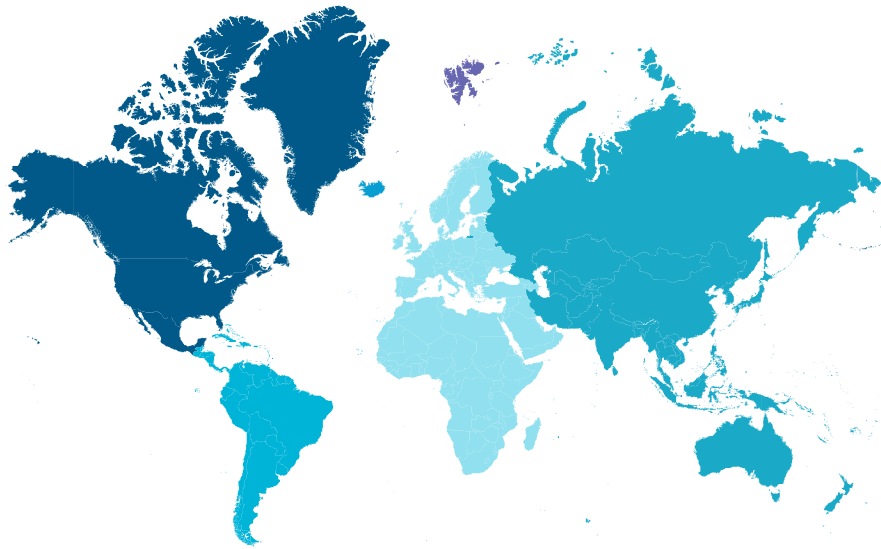
Structured and regular dialogue with governments to streamline regulatory procedures for permitting and approval

Incentivize the deployment of flexibility solutions

1. Clean power includes solar PV, solar thermal, wind, hydro, nuclear, geothermal and others

Proactive collaboration and inclusive participation from all continents are essential for our success

It aims to unite utility companies globally...



... and engage the whole value chain



1. Clean power includes solar PV, solar thermal, wind, hydro, nuclear, geothermal and others

18 players have already indicated strong interest in pursuing this initiative

Institutional & founding partners



Utilities



Global partnerships



900+
TWh of electricity supply,
90+ mn customers

200+
GW of clean power¹ capacity
under operation

3+ mn
km of transmission and
distribution grids

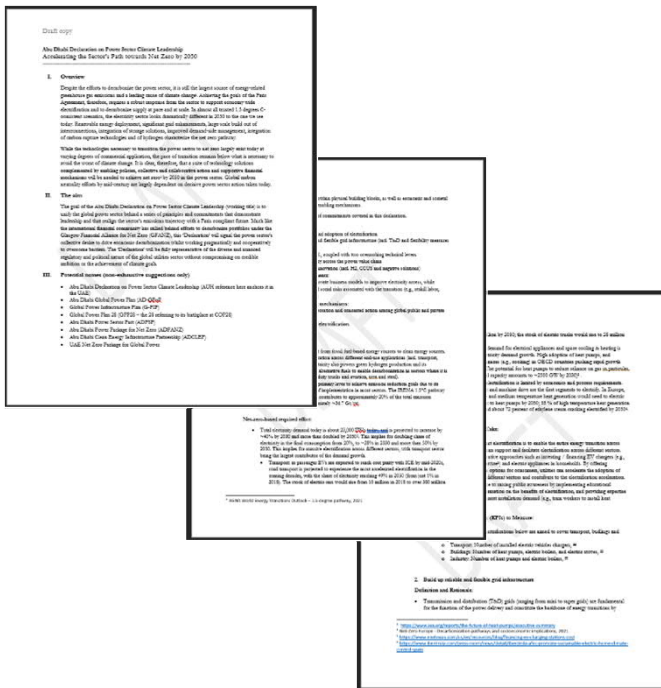
300+ k
active direct jobs across the
value chain

The Utilities for Net Zero Action Plan will be launched at COP28 with sustained actions beyond

ILLUSTRATIVE ONLY

The content will be defined and refined collaboratively by participants ...

... to be signed, published and announced during COP28 in Dubai



Beyond COP28 and long-term vision

- Establish a Utilities for Net Zero Alliance, hosted by IRENA and supported by WEF
- Determine a governance structure and operating model to facilitate effective coordination and decision-making within the initiative
- Organize regular gatherings and participate impactful events to sustain momentum, encourage continued actions and foster collaboration among participants
- Implement actions, track progress and provide regular updates to the public

Operationalizing under a 'Utilities for Net Zero Alliance'

From commitment to implementation under a unique platform for collaboration

Step one

Bring the utility sector together at CEO level under a commitment to cooperation during COP28. Announce to the global community, a 'Utilities for Net Zero Action Plan': Getting the power sector on track

Step two

Facilitate cooperation, stakeholder exchange and the realization of collective ambition under a 'Utilities for Net Zero Alliance' – managed by IRENA and supported by WEF. Governance, structures and modalities to be identified post COP28.

Stakeholders for each stage (tentative)



Next steps

Are you with us?

Questions:

1. Are you interested in coming together as a global utilities community to shape a positive, action-oriented narrative at COP?
2. Do you see value in working collaboratively under the guidance of IRENA and supported by the World Economic Forum, to address barriers to the realization of our goals?

Next steps

Please express your interest and nominate a focal point from within your organization with whom we can continue to engage in discussion and planning towards COP28.

Thank you.



Planning to implementation. Benchmarking against other Alliances.



Alliance



Description



Ambition



KPIs



Actions

Race to Zero	Global campaign to rally leadership and support from businesses, cities, regions, investors for a healthy, resilient, zero carbon recovery that prevents future threats, creates decent jobs, and unlocks inclusive, sustainable growth.	Build momentum around the shift to a decarbonized economy ahead of COP26, where governments must strengthen their contributions to the Paris Agreement	<ul style="list-style-type: none"> 50% global reduction in CO2 by 2030 	<ul style="list-style-type: none"> Recognition of business as “accelerators” Building community to share best practices
Science Based Targets initiative (SBTi)	Partnership between the Carbon Disclosure Project, the United Nations Global Compact, World Resources Institute and the World Wide Fund for Nature. The SBTi call to action is one of the We Mean Business Coalition commitments	Targets defined by each participating company aligned with Paris agreement	<ul style="list-style-type: none"> GHG reduction, % GHG intensity reduction, % Renewable electricity use, % 	<ul style="list-style-type: none"> Specific letter submitted by each company Tracking mechanism Technical support from experts
Glasgow Financial Alliance for Net Zero (GFANZ)	Global coalition of leading financial institutions committed to accelerating the decarbonization of the economy	Nonspecific decarb targets; works on providing financial firms a global collaboration platform aligned with Paris agreement objectives	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Leads technical working groups <ul style="list-style-type: none"> Financial Institution Net-zero Transition Plans Mobilizing Capital for Emerging Markets & Developing Economies Net-zero Public Policy
First Movers Coalition	Coalition of companies using their purchasing power to create early markets for innovative clean technologies across eight hard to abate sectors	Commitments in each sector: aviation, aluminum, chemicals, concrete, shipping, steel, trucking and direct air capture	<ul style="list-style-type: none"> Specific commitments on procurement by sector 	<ul style="list-style-type: none"> In-Country Workshops
IRENA's Alliance for Industry Decarbonization	It aims to decarbonize industrial value chains and accelerate net-zero ambitions in accordance with the Paris Agreement and it is formed by private and public organizations and stakeholders operating in energy-intensive sectors	Raising aspiration for ambitions, supporting development and implementation of decarbonization strategies and engaging with global and regional energy and climate platforms to foster action for decarbonization of end-use sectors, particularly, industry	<ul style="list-style-type: none"> Under development to be announced at COP28 	<ul style="list-style-type: none"> Enhance dialogue and coordinated action among the members Joint initiatives and actions on renewables, green hydrogen, heat optimization, human capital and finance