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Did Major Economies Cut Emissions in 2024?





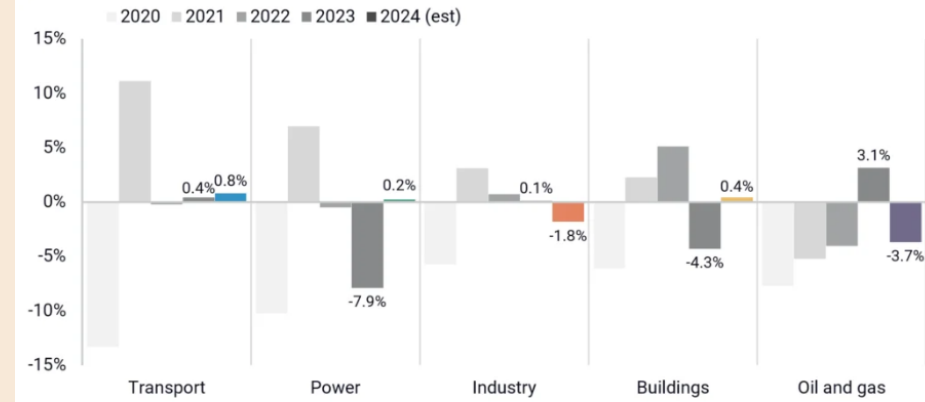
If the estimate holds (and even if it doesn't), it's more proof that countries can grow their economies while also implementing environmentally friendly policies.

U.S. GDP rose and estimated 2.7% last year, making any argument that combating climate change is an economic tailwind absurd.

Baby steps in the right direction, sort of

FIGURE 3

Year-on-year change in emissions by major sector
Percentage change



Source: Rhodium Group, EPA

- The overall emissions drop as estimated by the Rhodium Group's annual report was only 0.2%.
- The climate community might tally this data point as a win except...
- U.S. emission declined 3.3% in 2023.
- Note that the oil & gas industries reduced emissions by 3.7%.
- A deeper dive would be required to understand why oil & gas emissions declined.
- Regardless, in my view this data point reinforces the notion that any climate strategy should view the oil & gas industry as a partner rather than an adversary.
- From my perspective, we would achieve better results by seeking common ground versus vilifying and industry that isn't going anywhere any time soon.

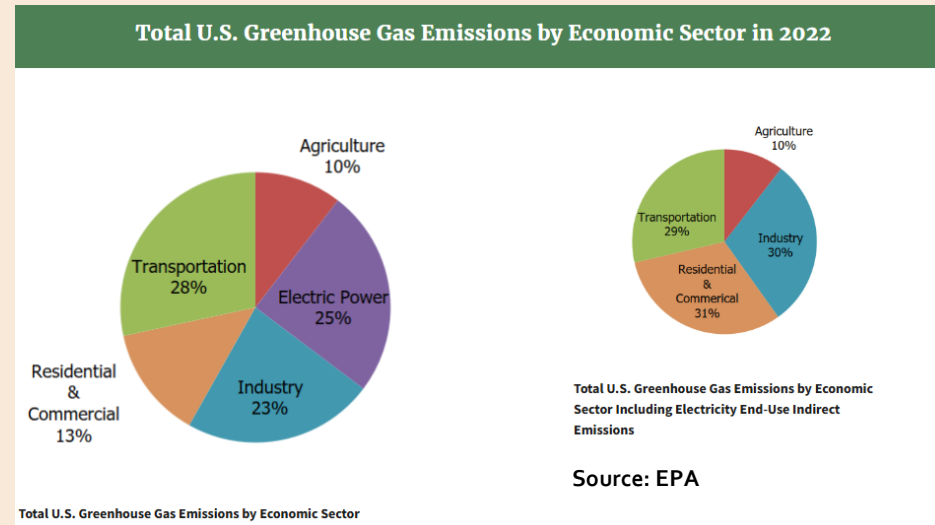
Problem sectors remain a problem



Most of the focus to combat climate change is on the transportation and power sectors.

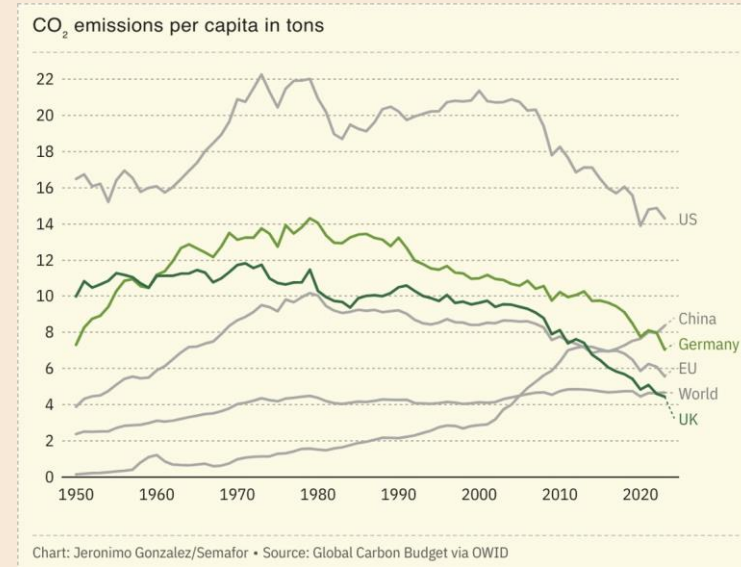
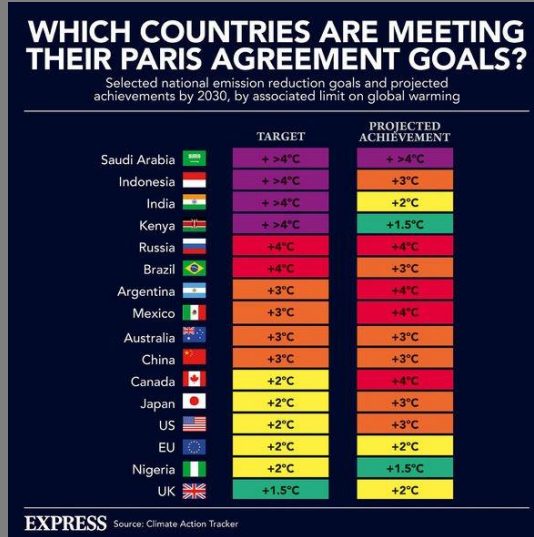
According to EPA data these sectors are responsible for 50 to 60% of U.S. greenhouse gas emissions.

Despite some successes, both the transportation (up 0.8%) and power sectors (up 0.2%) saw an uptick in emissions.



- Solar gets a lot of love from the climate community and stories abound about the record levels being installed.
- For the first time in 2024, solar and wind power generation surpassed coal in larger part because coal production declined 12%.
- EVs and zero-emissions transportation is another strategy cornerstone. Sales of EVs continue to grow albeit not at the pace that many had hoped.
- The climate community would argue that emissions from the power and transportation sectors would be worse without the emphasis on solar and EVs.
- True enough, but the reality is the strategy isn't close to achieving the targets.
- To meet the Paris Agreement targets the U.S. would need to reduce emissions 7.6% every year from now to 2030.

Progress across the pond



According to the Climate Action Tracker Nigeria, Ethiopia, Morocco, Kenya, Costa Rica, and Nepal are on track to meet the 1.5° Celsius goal with Norway is predicted to meet the 2° Celsius goal.

More evidence that it's time to reset the goal along with the strategy.

- The UK shuttered its last coal plant last year, and 2024 also marked its cleanest year on record for electricity production.
- Fossil fuels only comprised 29% of the UK's electricity generation. Renewables were 45%, while nuclear kicked in 13%.
- As a result, in the UK the "carbon intensity" of each unit of electricity generated has dropped by 70% from 2014 levels.
- Aided by mild weather and an economic decline, Germany's emissions fell 3% last year, marking the third consecutive year of declines.
- Germany's energy sector accounted for 80% of the decline with a similar story of coal reductions and record solar installations.

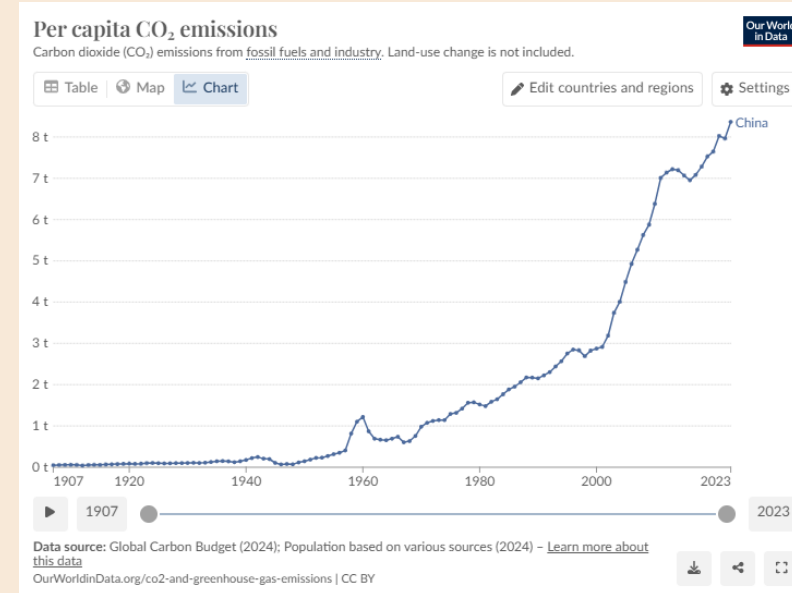


The Paradox of China

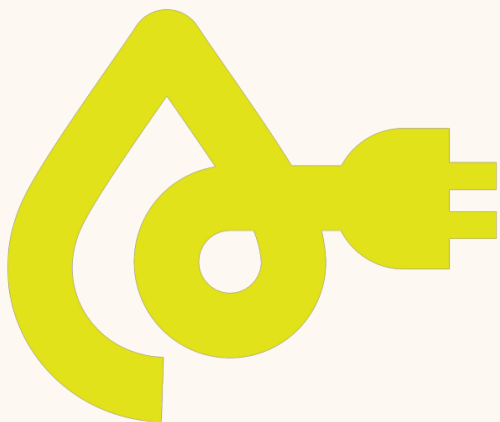
The country is the undisputed leader in almost every facet of clean technology.

Responsible for 31% of global CO₂ emissions (as of 2022), it also remains the world's largest greenhouse gas emitter.

But what about China?



- Within the next few weeks, China is expected to announce new climate targets that will - for the first time - outline a strategy to reduce emissions.
- The Centre for Research on Energy and Clean Air (CREA) expects China's 2024 emission to be flat or register a slight increase.
- The proportion of experts who believe China's CO₂ emission have already peaked or will peak by 2025 has almost tripled from 15% in 2022 to 44% in 2024. Let's hope they're right.



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Unbiased and Unfiltered

- An honest assessment of the climate change effort.
- I cover what's working – but more important - the issues/roadblocks that the industry would prefer to ignore.
- A must-read for anyone with a desire to understand what's really going on with renewable energy and climate change.



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