

# What will it take to shift the trillions?

Professor Paul Ekins OBE

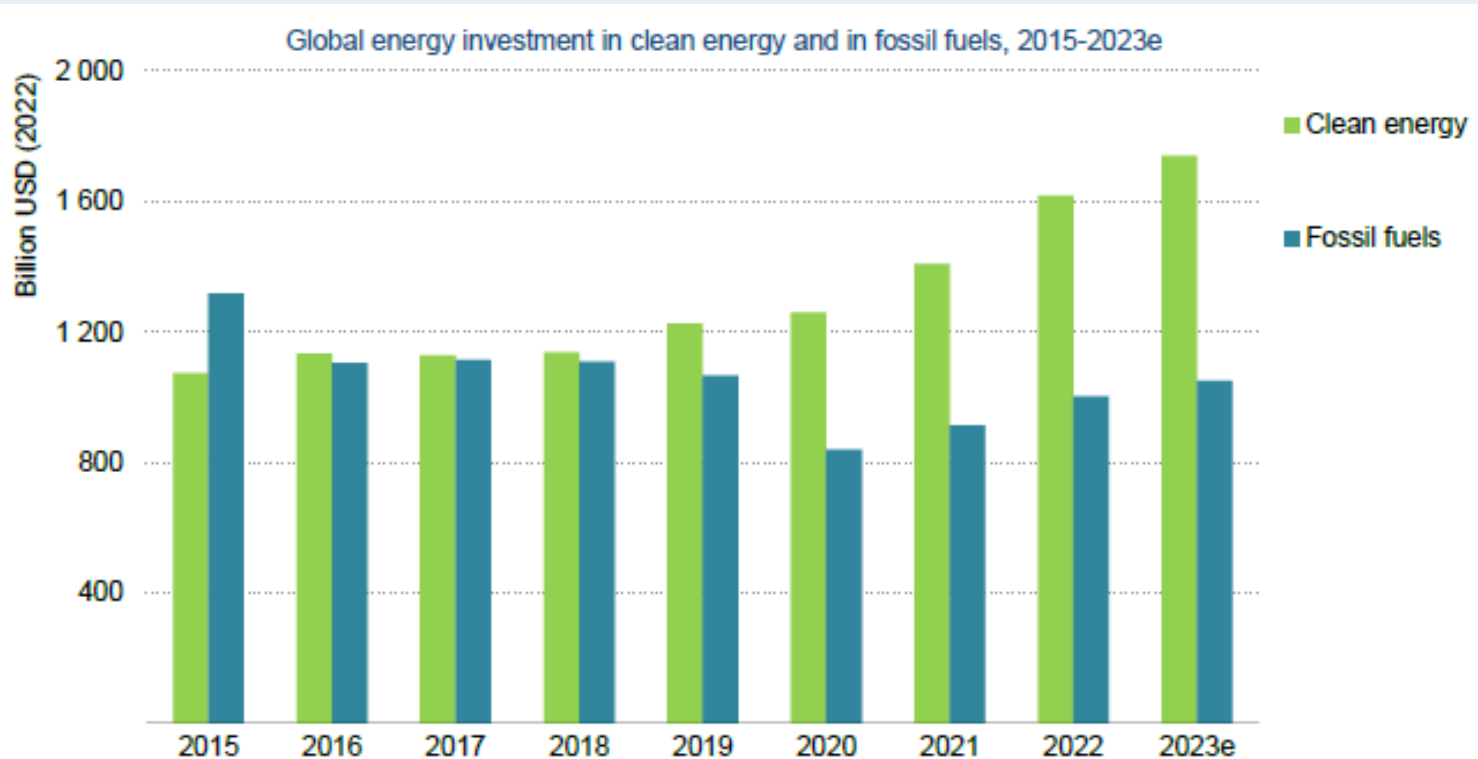
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Presentation to the St George's House consultation  
'Making Ethical Investment Real'

St. George's House, Windsor

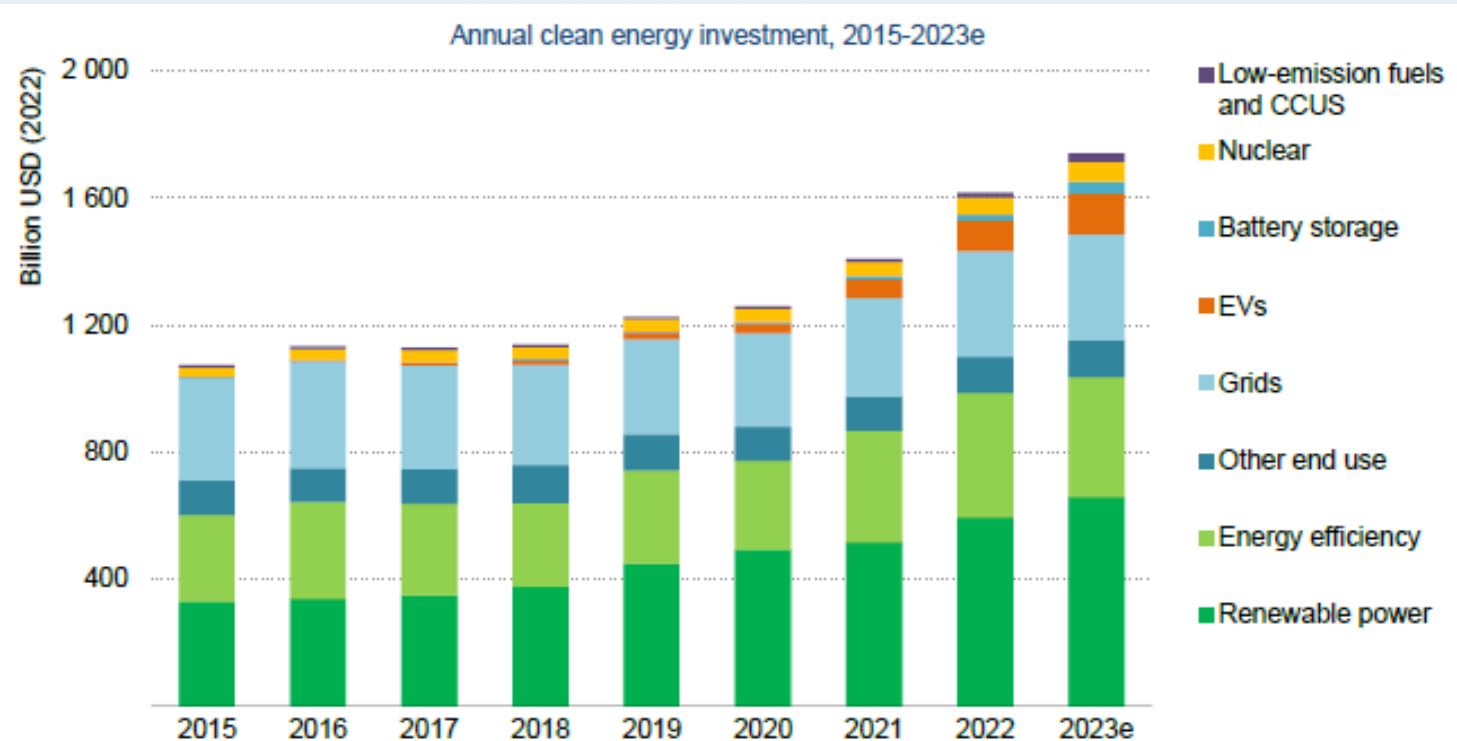
June 6<sup>th</sup>, 2023

# The good news (1)



Investment in clean energy: all figures from IEA *2023 World Energy Investment*, (unless stated otherwise)

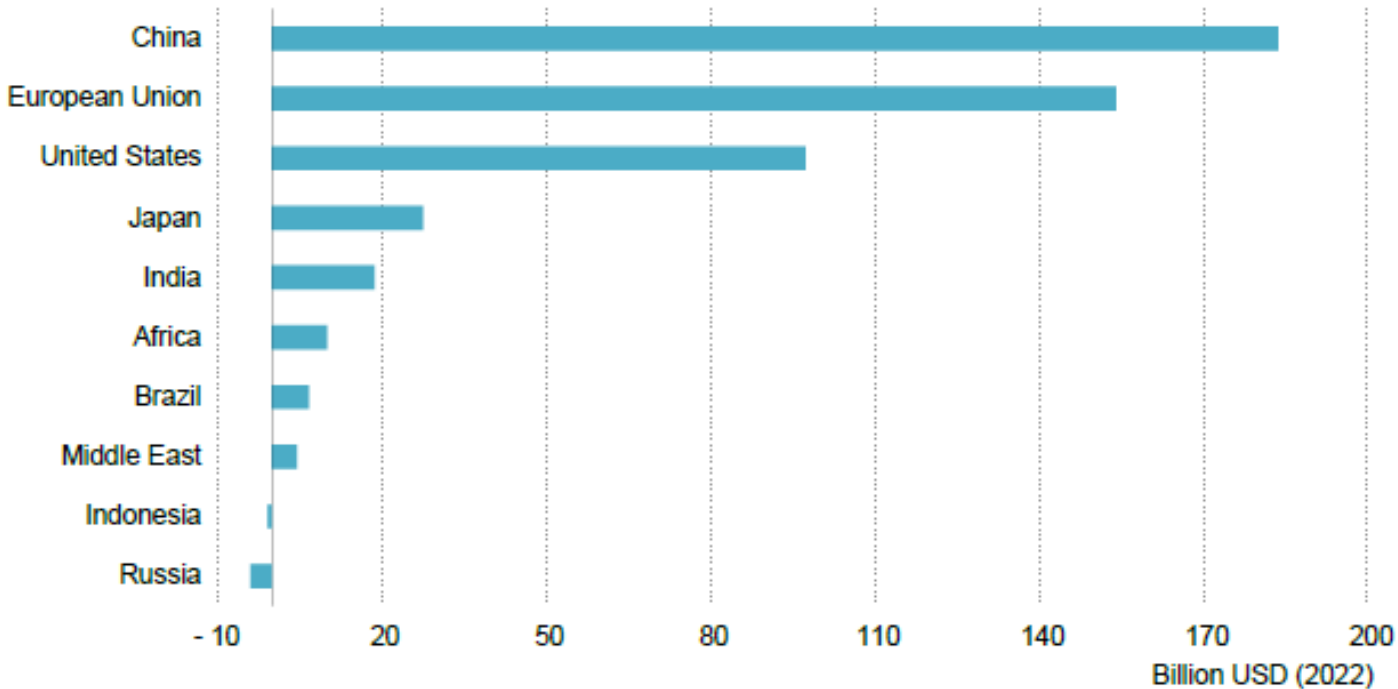
# The good news (2)



What is it being invested in?

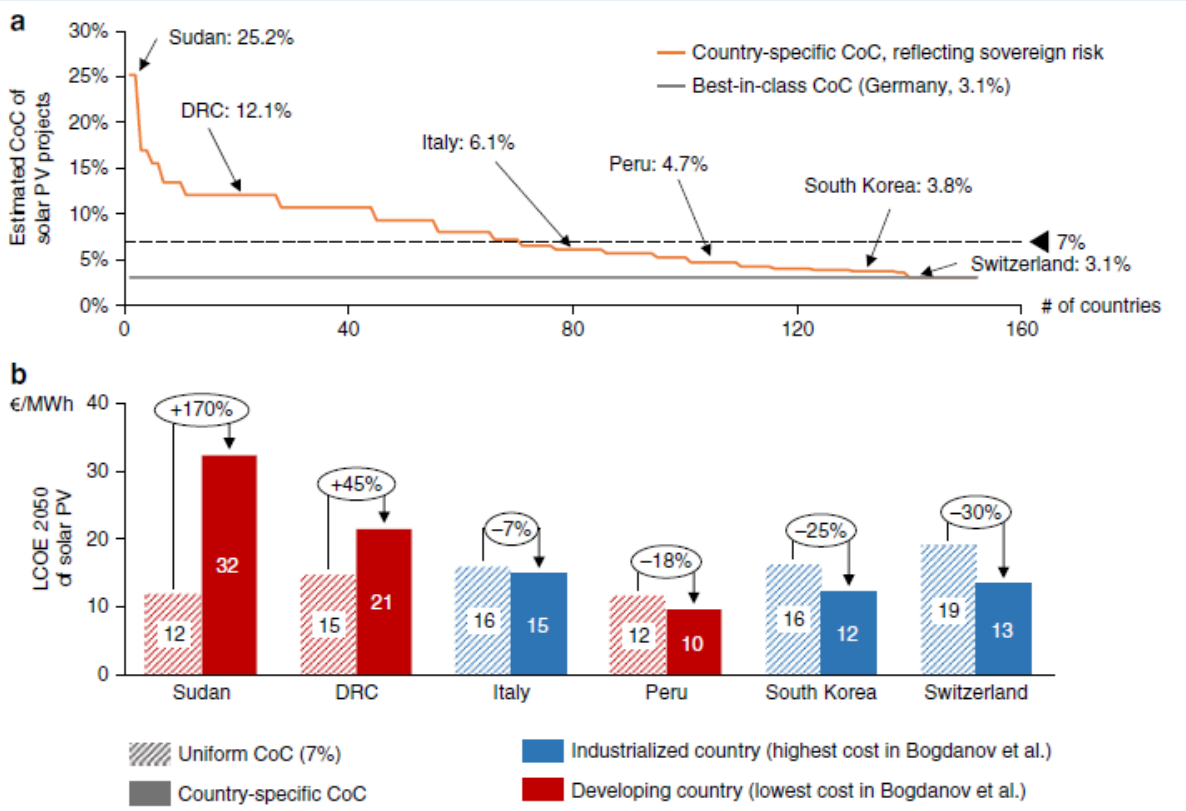
# The mixed news (1)

Increase in annual clean energy investment in selected countries and regions, 2019-2023e



Where is it being invested?

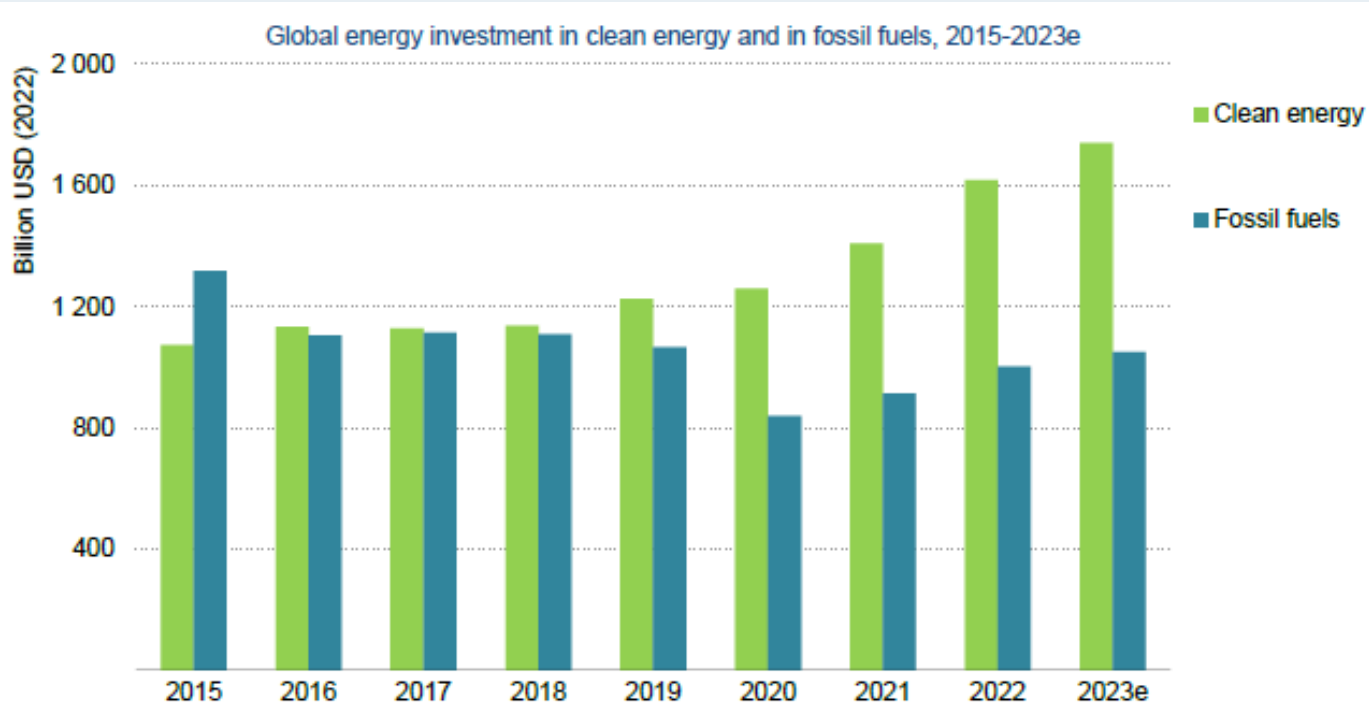
# The mixed news (2)



Cost of capital makes all the difference to the cost of renewables: what now in a world of rising interest rates?

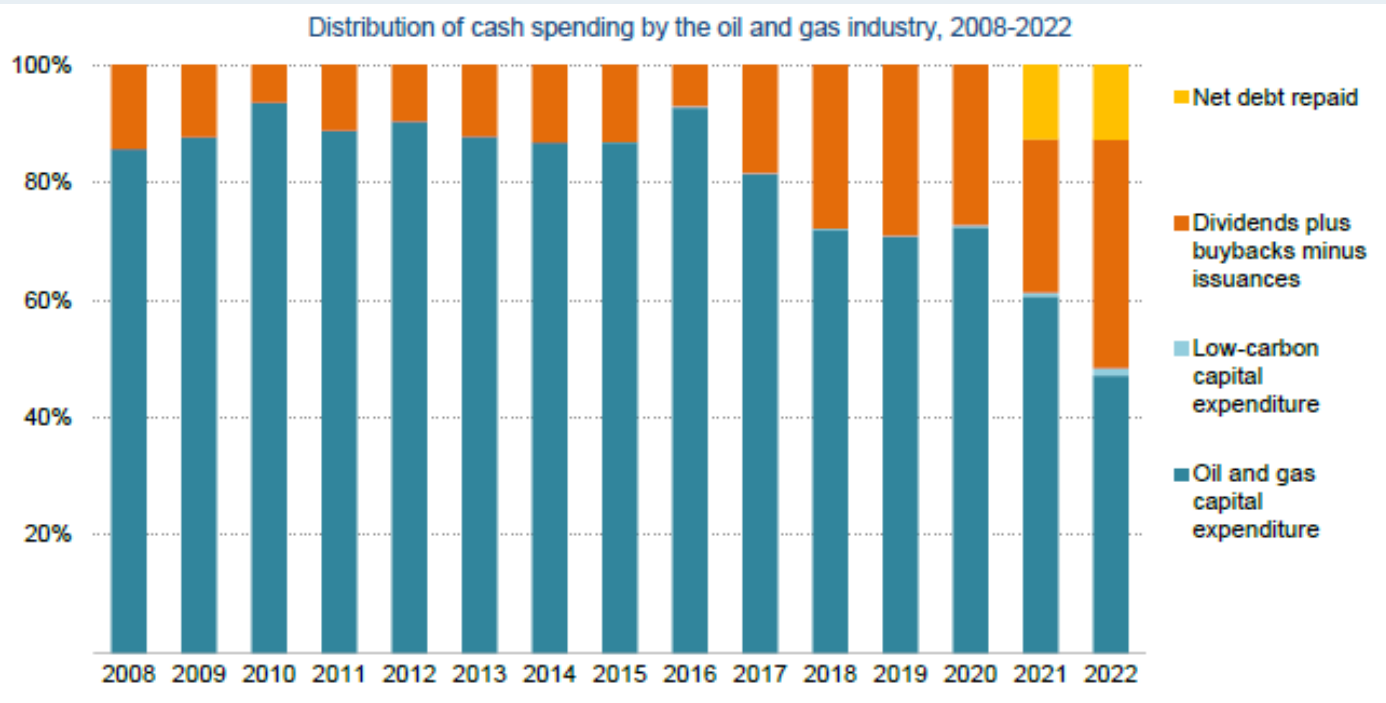
Source: Egli, F., Steffen, B., & Schmidt, T. S. (2019). Bias in energy system models with uniform cost of capital assumption. *Nature Communications*, 10(1), 4588.

# The bad news (1)



Continuing investment in fossil fuels: \$500 billion in 2023 in upstream O&G

# The bad news (2)

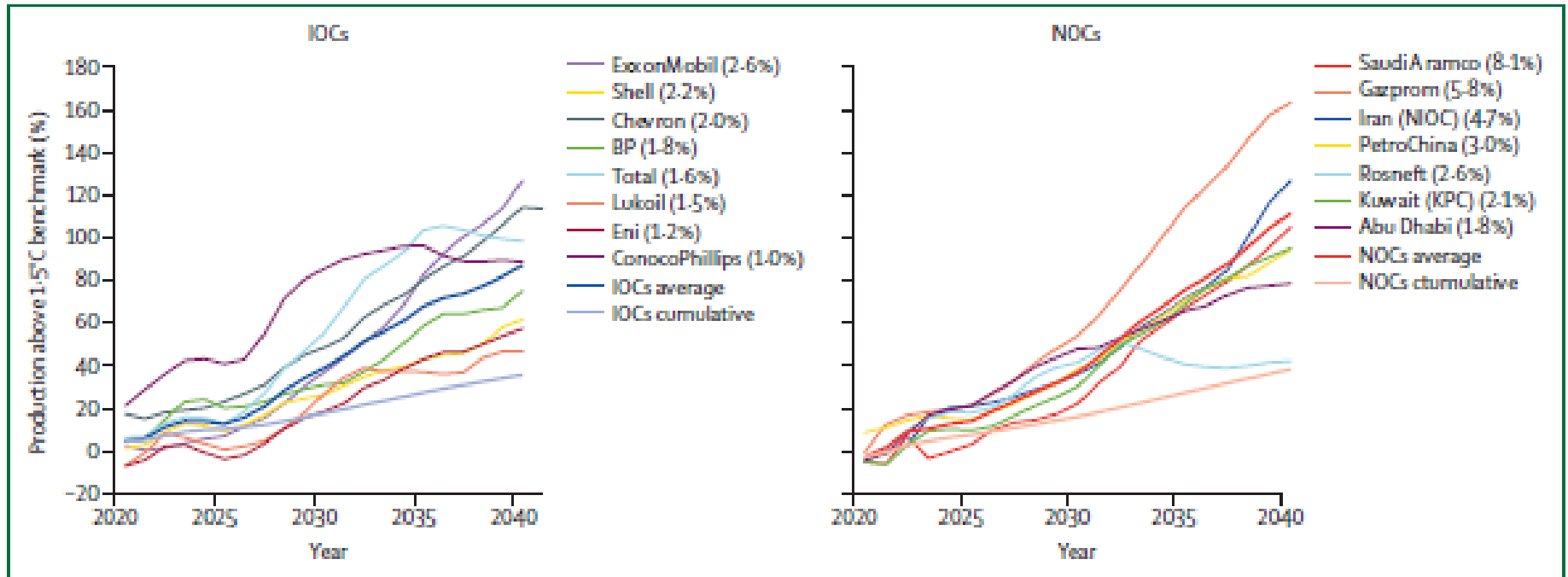


Companies are not investing their record 2022 profits in clean energy: only 5% of investment into clean energy (more in European companies)

# The bad news (3)

Oil and gas companies are planning to produce way more oil and gas than is consistent with the Paris temperature targets

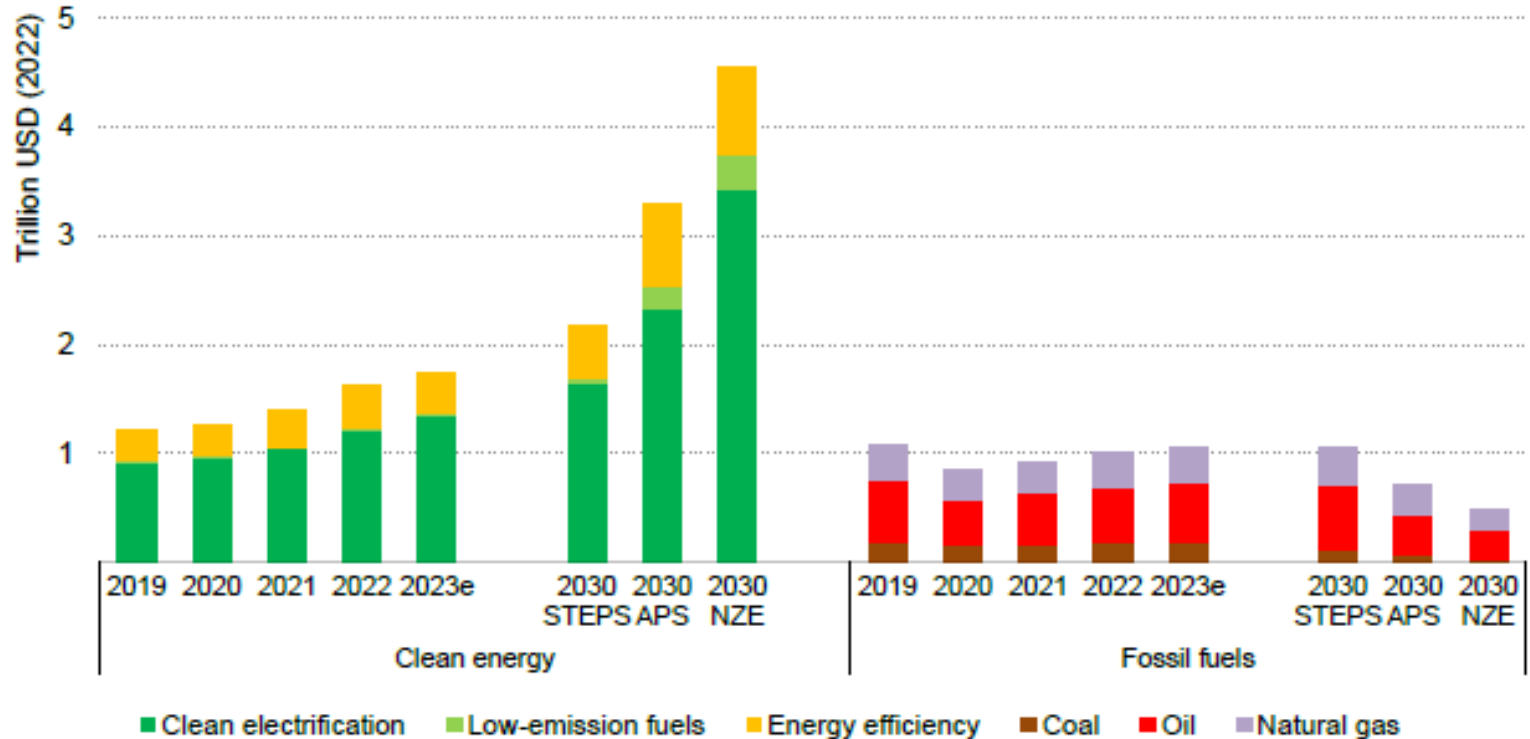
Source: Lancet Countdown, 2022





# The challenge ahead

Historical investment in energy benchmarked against needs in IEA scenarios in 2030



# Concluding thoughts for discussion

- Investment in clean energy – power generation, grid and storage – is the key to a habitable climate
- It is moving in the right direction, but much too slowly
- Much more investment needs to be ahead of the curve (e.g. UK grid 10-year connection times)
- Investment will only flow at the required scale if it yields normal risk-related returns. It is the job of government to ensure this is the case
- Oil and gas companies MUST up their clean-energy game – further need to increase clean-energy profitability
- Head of Abu Dhabi National Oil Company needs to be replaced as President of COP28
- Multi-lateral development banks and other donors must make a priority of reducing the cost of capital in Africa (good governance, stop the fighting!)
- PS An unashamed plug: Ekins, P. 2024 *Stopping Climate Change: Policies for Real Zero*, Routledge



Thank you

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