

The Energy Transition

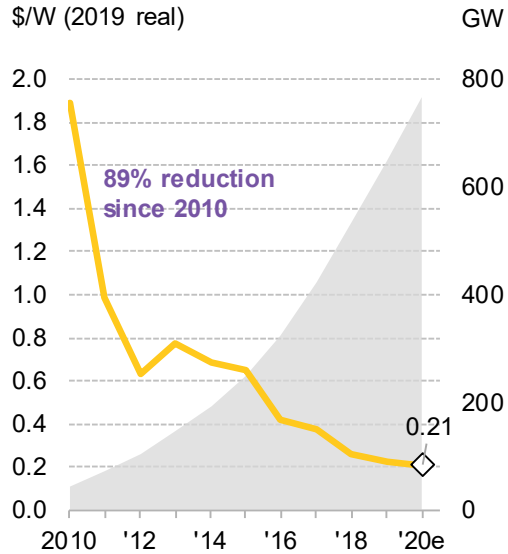
Evolving policies and impacts

Ethan Zindler

July 15, 2021

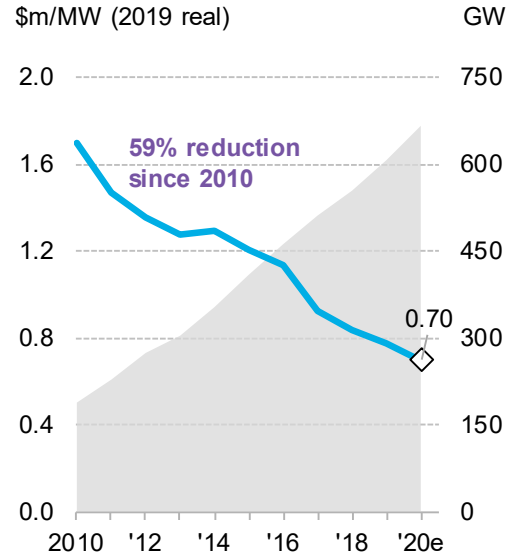
Innovation and scale have driven down the costs of renewable technology...

PV module price and cumulative installed capacity



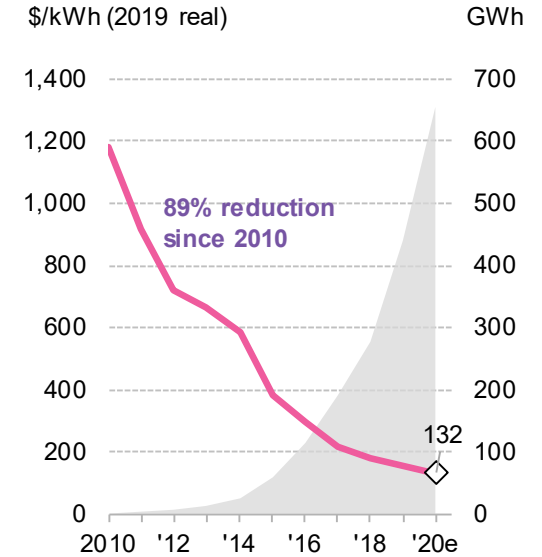
Source: BloombergNEF

Onshore wind turbine price and cumulative installed capacity



Source: BloombergNEF

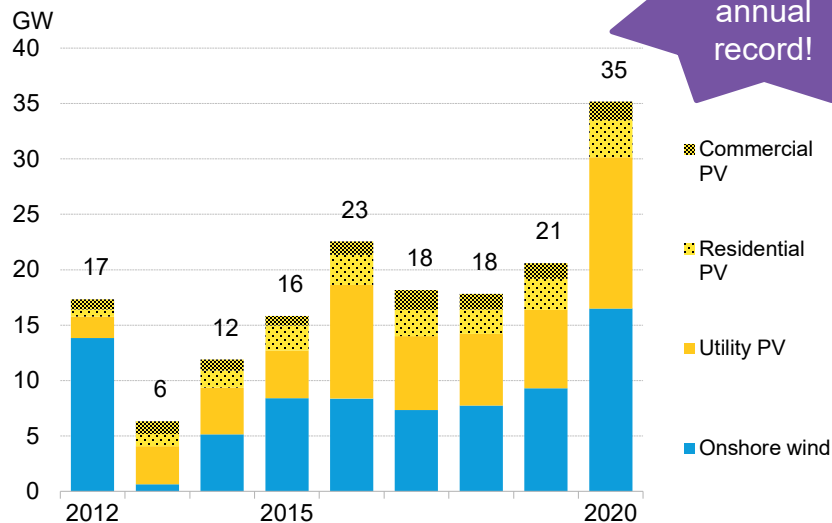
Li-ion battery pack price and demand



Source: BloombergNEF

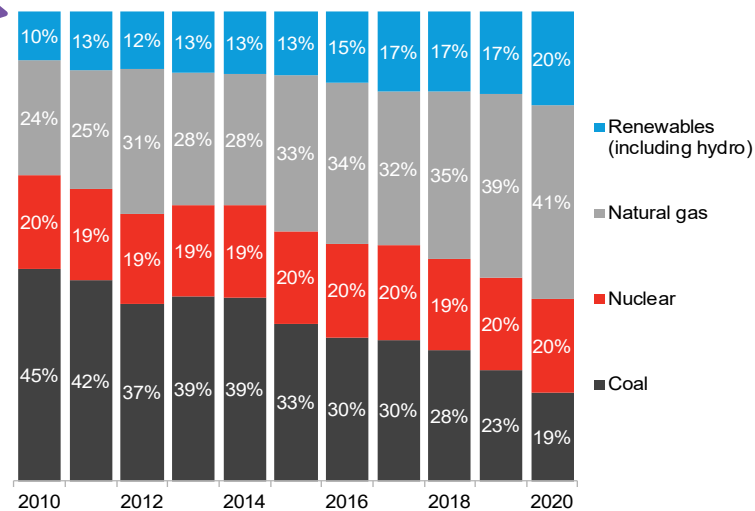
The energy transition has arrived

U.S. renewable energy build



Source: BNEF 1H 2021 U.S. Renewable Energy Market Outlook

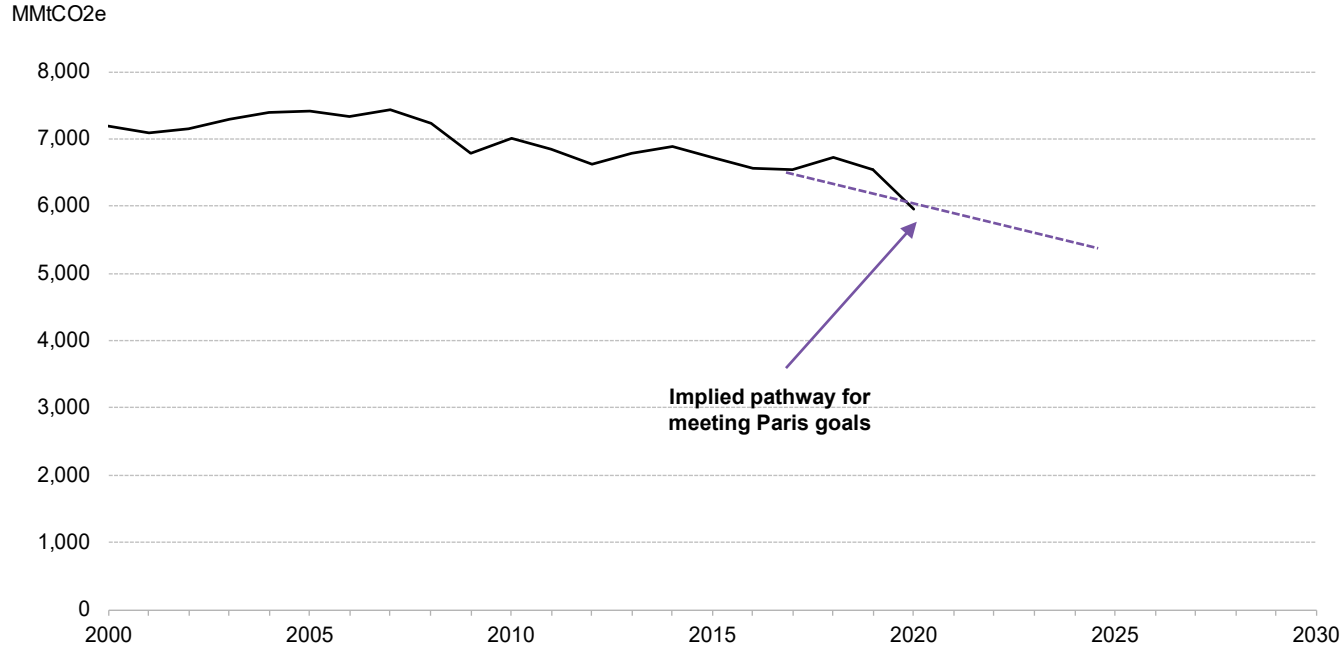
U.S. power-generating capacity



Source: BNEF/BCSE Sustainable Energy in America Factbook

The U.S. has a shot at meeting its Paris Agreement obligation

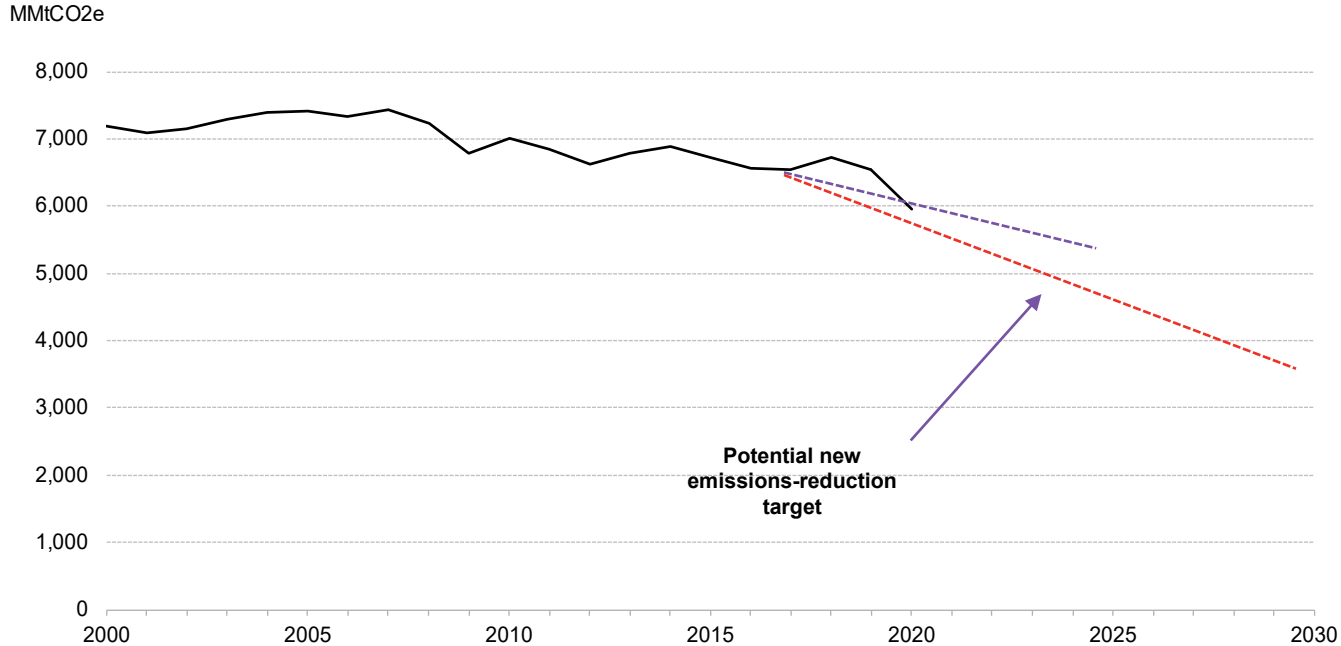
Economy-wide U.S. greenhouse gas emissions



Source: EIA, EPA, BloombergNEF

But a *much* longer shot at meeting Biden's 50% cut by 2030 pledge

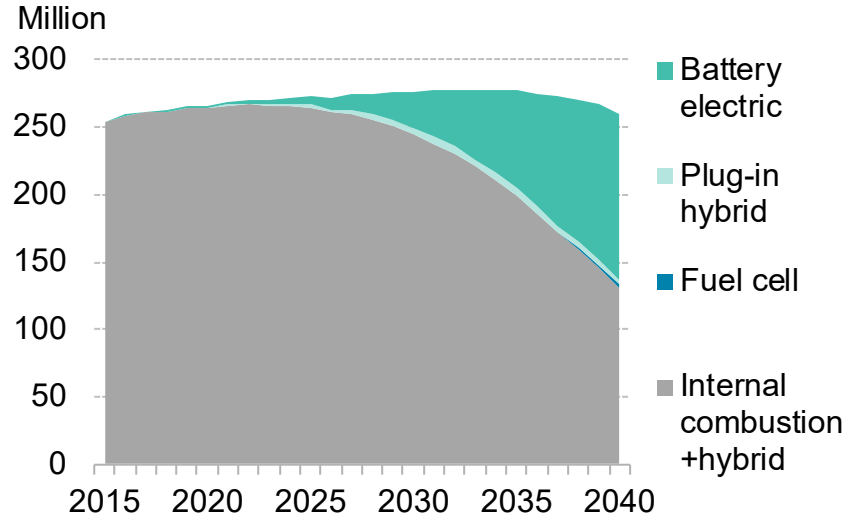
Economy-wide U.S. greenhouse gas emissions



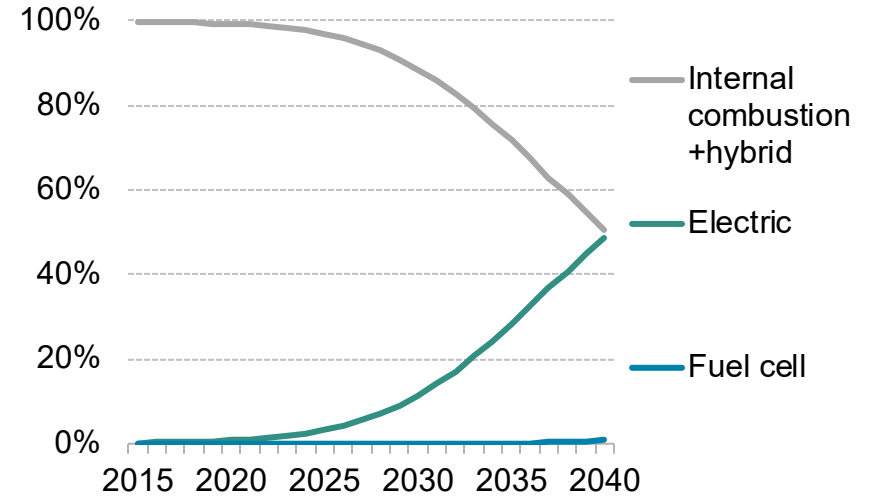
Source: EIA, EPA, BloombergNEF

Electrification of transportation is inevitable

North America passenger vehicle fleet by drivetrain



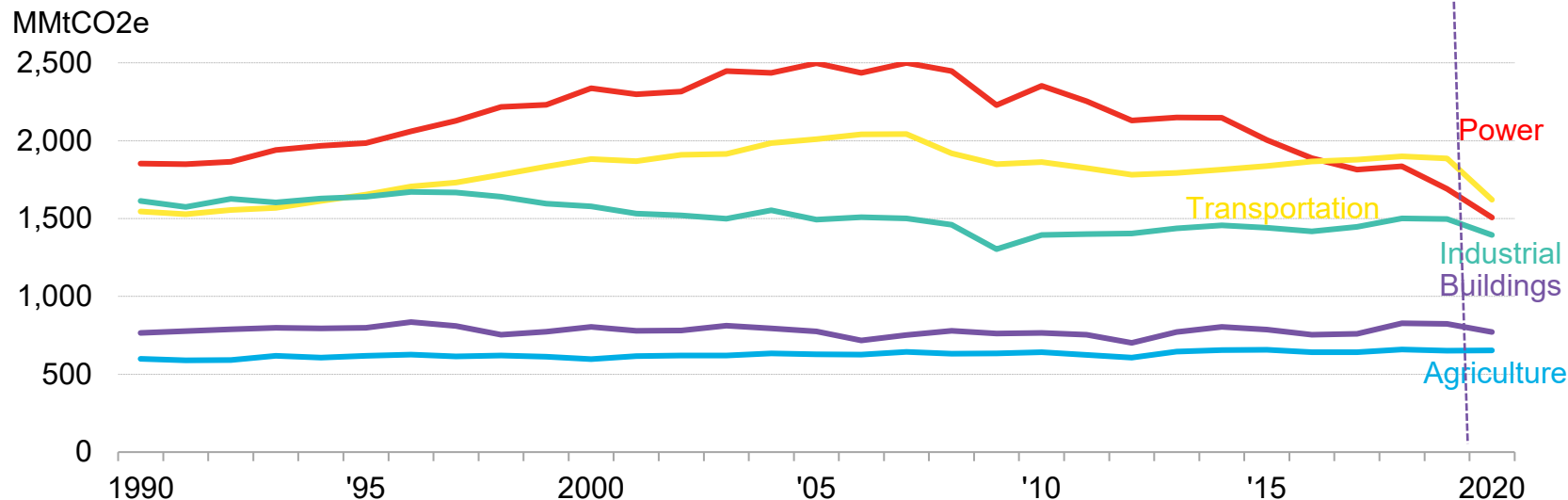
North America passenger vehicle fleet share by drivetrain



Source: BNEF. Note: Electric contains battery electric and plug-in hybrid electric vehicles.

But all sectors will need to contribute

U.S. greenhouse gas emissions by sector



Source: BloombergNEF, EIA, EPA Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2016 Notes: "Sinks" refer to forests and green areas which absorb carbon dioxide. Values for 2020 are projected, accounting for seasonality, based on monthly values from EIA available through September 2020 and BNEF projections.

Open questions

- Will Congress pass some version of the American Jobs Plan? What will make the cut?
- How stringent will the new Corporate Average Fuel Economy standards be?
- What new effort will Biden make to regulate emissions through the Environmental Protection Agency?
- Can the next four years bring order and planning to U.S. energy transition policies?

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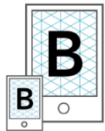
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