

The future is coming fast. By 2035, organizations in every industry will be dealing with a vastly different energy landscape. What will that future look like? Plenty of uncertainties are in play, but four clear scenarios emerge based on Deloitte's research.

Deloitte's Future of Energy Scenario Planning toolset, which focuses on today through 2035, involves an extensively researched set of data-driven, reality-based insights that can help businesses place intelligent, informed bets on the future of energy. It's not about absolutes. It's about being absolutely prepared for the most likely outcomes—especially in the short term.

A novel approach to scenario planning

These four plausible and divergent scenarios represent guideposts that can help enterprise leaders make decisions and take action in the short term—in a flexible way, and in a way that allows their organizations to earn, to learn, and to influence their environments as the future unfolds. No single scenario is going to fully materialize for the future of energy overall. The scenarios are not clear-cut predictions. Rather, they are hypotheses in the form of data-driven stories about tomorrow—to help drive better decisions today.

Proactive

Global dynamics Societal response to climate change



Ready, set, innovative

Proactive societal response to climate change plus independent, regional economies

The vision

Imagine a world where local energy transition objectives shape regional alliances, creating patchwork systems.

In a nutshell

Private-sector leaders drive high electrification and adoption of renewables in select regions, leading to low energy demand and emissions.

A closer look

The failure of governments to globally address climate change leads private industry to take it upon itself to innovate to lower emissions. Companies recognize the risk that climate change poses to their businesses, and shift to meet consumer demand for low-carbon energy. The build-out of renewables relies on businesses, as there is limited coordination between nationalistic governments, creating hurdles for the scale-up of these technologies, especially in the developing world. Competition is fierce between government systems; trade is almost entirely closed within regional systems; developing and emerging nations partner.

Independent, regional economies

One team, one dream **Proactive** societal response to climate change plus an open, collaborative global economy

Imagine a world united after a series of climate shocks, collaborating and growing, in a way we have not yet seen.

In a nutshell

Global adoption of renewable technology accelerates electrification and drastically reduces energy demand and emissions.

A closer look

The vision

Consumer behavior dramatically favors the long-term health, environmental, economic, and social benefit of the collective, triggering a globally collaborative atmosphere that successfully commercializes low-carbon technology and commits to drastic decarbonization. Fierce competition exists between energy companies to scale accessible, low-carbon technologies to meet consumer demand. Tech players invest in efficiencies up the value chain to reduce the impact of widely used products. Governments open borders to allow for a web of connected services and introduce a global carbon pricing mechanism.

Open, collaborative, global economy



Me and my resource

Reactive societal response to climate change plus independent, regional economies

The vision

Imagine a world defined by "tribalism," where nations are limited to local resources and technologies to address challenges.

In a nutshell Regionally disparate outcomes with high, hydrocarbon-based energy demand in some regions

and leapfrogging to

renewables in others.

A closer look

Protectionist policies that create trade barriers and limit technology/knowledge transfer prevail, liming the movement of people and goods. Consumer activism, distracted by an economic recession, fails to trigger a sustained push for an energy transition, while governments compete for access to cheap and stable energy resources. Innovation focuses on development of local resources, whether renewable or hydrocarbon. Climate change responses are disparate, reactive, and focused on localized infrastructure projects versus abatement.



Rising tide

Reactive societal response to climate change plus an open, collaborative global economy

The vision

Imagine a world galvanized and committed to growth, security, and stability for all.

In a nutshell

Emphasis on economic growth leads to high growth of energy demand and emissions and use of all available energy sources.

A closer look

Energy efficiency, affordability, and accessibility drive consumer behavior, resulting in the expansion of both renewables and hydrocarbons. Global powers share the priority of short-term economic growth, which leads to increases in wealth and quality of life for most. Advanced technologies create new options for addressing climate change, but given the focus on widespread economic growth, the social and economic "switching cost" slows the pace of innovation in favor of reactive, climate mitigation efforts.

Reactive

Global dynamics

Societal response to climate change

The future of energy is being rapidly rewritten every day as new events emerge and as disruption continues unabated. How will you respond? What's your plan for thriving in a future filled with complex uncertainty as well as the simple certainty of decarbonization?

If taming disruption and taking planning to the next level are priorities for your organization, we should talk. We can share additional details on our approach, provide a demo of our scenario-planning data and model in action, or schedule an immersive lab session or workshop to help you begin preparing your business for the future of energy. Contact us to get the conversation started.

Let's talk.

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Read more about Deloitte's Future of Energy Scenario Planning methodology. Learn how we can help you develop actionable, ready-to-execute plans that address a multitude of future possibilities and allow you to earn, learn, and influence—no matter what tomorrow brings.

www.deloitte.com/FutureOfEnergy

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