



## **G7 Ministerial Conference “Energy, Environment and Climate” Turin 29-20 April 2024**

### ***B7 Statement on the Energy Transition***

Ahead of the G7 Ministerial Meetings on Energy, Environment and Climate of 29-30 April 2024, the Business Engagement Group of the seven Countries - B7 - has issued the following statement.

The path towards a sustainable future critically depends on the ability of our communities to balance the growing environmental concerns with the increasing energy demand at global level. Building upon the results of the COP28 and the G7 Sapporo Ministerial Meeting, the G7 must champion commitments to triple the world's renewable energy capacity and double energy efficiency by 2030. Businesses can and want to be a vital part of the *transition away from fossil fuels* through investing, innovating, and engaging with energy users. Targeted and coordinated industrial policies are required to boost investments in renewable and low carbon energy sources, energy efficiency and circular economy, while ensuring competitive energy prices, reliable supplies, and resilient infrastructures.

The B7 calls on enhancing the diversification of cost-effective transitional energy sources' supplies and carriers that delivers both energy security and reduced GHG emissions, while supporting the optimization and repurposing of existing facilities, and the research, development and deployment on new technologies and facilities. This should include, *inter alia*, next-generation nuclear reactors, electrification and storage, wind and solar, nuclear fusion, low and carbon neutral fuels like e-fuels and biofuels, Carbon Capture Usage and Storage (CCUS), hydrogen, and ammonia.

Huge investment is needed in the transition to net zero. The B7 calls on the G7 for dedicated funding, financial instruments, and capital markets' tools to target projects and initiatives prompting all technologies needed for the transition for deploying their full potential and de-risking current and planned private decarbonization investments. G7 joint investments are necessary to foster clean technology value chains and building recycling facilities to help overcome gaps with international suppliers in areas including, but not limited to, critical and strategic raw materials.

For ensuring access to new capital, encouraging private sector investments, and reducing the burden on public finances, the G7 should achieve convergence of taxonomies, leveraging a

science-led, technology-neutral approach based on life-cycle emissions and mutually recognized labeling, supporting further the work done by the International Sustainability Standards Board (ISSB) to ensure international taxonomies interoperability and reciprocity of standards. This would enhance market integrity and transparency, catalyze public-private partnerships, stimulate co-investments with institutional investors, sustainable finance and impact investment in low carbon and circular economy technologies. It is paramount to ensure clear, consistent, and business-friendly regulatory frameworks to reduce administrative costs, bureaucratic burden and red tapes that hinder permitting procedures, assessment, approval, financing and implementation of projects and initiatives.

Industrial competitiveness can be enhanced through comprehensive technological neutrality, the convergence of carbon markets and regulatory frameworks. To prevent disruptions and imbalances among G7 countries and beyond, the B7 sees the importance of aligning incentives and developing common approaches to support the deployment of renewable and low carbon technologies and energy carriers to sustain the transition in all sectors. This should also include developing converging existing carbon market frameworks, assuring the mutual recognition of carbon allowances from any border taxation mechanism, and supporting the implementation of the Art. 6 of the Paris Agreement by promoting voluntarily cooperation.

AI can play a crucial role in addressing environment and climate challenges and navigating the energy transition, characterized by a growing complexity of highly interconnected and distributed energy systems, with a wide range of technologies. AI-driven predictive maintenance and infrastructure planning can optimize resource allocation and management, enhance performances, mitigate risks, empower more effective monitoring of environmental phenomena, and achieve flexible energy demand response practices. Hence the importance of aligning the sustainability policies and digital transition agendas in achieving sustainable goals.

Finally, G7 Countries must act inclusively towards Less and Least Developed Countries by enacting the Loss and Damage Mechanisms and by avoiding that technological advance, including access to enabling digital technologies, remain limited and widen the existing gap.

By working together, G7 countries can mitigate the risks and reduce costs of the transition and reap the key advantages in terms of environmental benefits, energy independence and resilience, wealth and new jobs' creation.