

Q1 2023 IPR Quarterly Forecast Tracker climate policy developments

Region	Sector	Development	IPR 1.8°C FPS Forecast	Impact on achieving 1.8C Policy Scenario
Global (G7)	Clean power Coal phase-out	In April 2023, the G7 countries pledged to accelerate 'the phase-out of unabated fossil fuels' while ramping up the deployment of renewable energy capacity. <ul style="list-style-type: none"> The G7's communique includes a target to collectively increase offshore wind capacity by 150 gigawatts and to achieve a total solar PV capacity of over 1 terawatt, both by 2030 The G7 countries also agreed to achieve 'a fully or predominately' decarbonized power sector by 2035 	1.8°C FPS: <ul style="list-style-type: none"> Policy to deliver 100% clean power by 2035 (France and Canada), 2040 (UK and USA), or 2045 (Germany, Japan, Italy) 	Impact score: 3 Announced, supportive. The G7 member countries stated their intention to reach a nearly decarbonized power sector by 2035.
EU	Net-zero targets	In February 2023, the EU Commission proposed the Green Deal Industrial Plan (GDIP) to 'enhance the competitiveness of Europe's net-zero industry'. The plan is underpinned by four pillars targeting regulation, funding, skills and trade: <ul style="list-style-type: none"> Pillar 1 – 'A predictable and simplified regulatory environment' Pillar 2 – 'Faster access to funding' Pillar 3 – 'Enhancing skills' Pillar 4 – 'Open trade for resilient supply chains' 	1.8°C FPS: <ul style="list-style-type: none"> Net zero by 2050 100% zero emission industrial facilities by 2060 	Impact score: 3 Announced and supportive. GDIP will address permitting, financing, trade, and labour constraints in the net-zero transition.
EU	Net-zero targets	As part of the wider Green Deal Industrial Plan announced in February 2023, the European Commission proposed the Net Zero Industry Act (NZIA) in March 2023, targeted at scaling up clean tech manufacturing within the EU. The NZIA is intended to help deliver the objectives of Pillar 1 of the EU's Green Industrial Plan <ul style="list-style-type: none"> The NZIA identifies 8 categories of strategic net zero technologies: solar photovoltaic and solar thermal, onshore and offshore wind, battery/storage, heat pumps and geothermal energy, electrolysers and fuel cells, sustainable biogas/biomethane, carbon Capture and storage (CCS), and grid technologies. 	1.8°C FPS: <ul style="list-style-type: none"> Net zero by 2050 100% zero emission industrial facilities by 2060 	Impact score: 3 Announced and supportive. The NZIA will direct governments to support an acceleration in clean industry in the EU, through public procurement and improvements to financing and

		<p>These technologies will receive access to funding and streamlined permitting</p> <ul style="list-style-type: none"> • The Act sets a goal of at least 40% domestic production of the 'strategic net zero technologies' by 2030 • The target will be achieved by creating a regulatory environment which creates better conditions for setting up net zero projects in Europe including speeding up permitting processes, accelerating CO₂ capture, requiring public authorities to consider sustainability criteria in procurement decisions, among others 		permitting processes.
EU	Clean industry	<p>In March 2023, the EU Commission announced the Critical Raw Materials Act, alongside the Net Zero Industry Act, to ensure EU countries have access to the supply of critical raw materials. The CRMA is intended to deliver on Pillar 1 of the Green Deal Industrial Plan which is to achieve 'a predictable and simplified regulatory environment' and Pillar 4 for 'open trade and resilient supply chains.'</p> <ul style="list-style-type: none"> • For strategic raw materials, the EU has set the following targets for domestic capacities as a share of the EU's annual consumption of the material: <ul style="list-style-type: none"> ○ At least 10% for extraction ○ At least 40% for processing ○ At least 15% for recycling ○ Not more than 65% of the Union's annual consumption of each strategic raw material at any relevant stage of processing from a single third country 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> • 100% zero emission industrial facilities by 2060 	<p>Impact score: 3</p> <p>Announced. The Critical Raw Materials Act includes some measures around emissions reductions (such as environmental footprint declaration requirements) but is more focused on supply security and circularity, so is unlikely to cause an acceleration in clean industry.</p>
EU	Net-zero targets	<p>The Temporary Crisis and Transition Framework (TCTF) prolongs and expands Member States' ability to support climate transition measures such as promoting the roll-out of renewable energy and energy storage and supporting industry decarbonization. The Framework facilitates company- and industry-specific state support where the support can contribute to a net-zero economy. The TCTF was adopted by the EU Commission in March 2023 to help achieve the objectives of the Green Industrial Plans Pillar 2 for 'speeding up access to financing'</p>	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> • Net zero by 2050 • 100% zero emission industrial facilities by 2060 	<p>Impact score: 3</p> <p>Announced and supportive. The TCTF will enable EU member state governments to invest more in subsidies for clean industries in their countries.</p>

EU	Clean power	<p>In March 2023, the European Commission proposed a reform to the EU's electricity market design with the aim of accelerating the uptake of renewables and the phase-out of gas in addition to reducing vulnerability to volatile fossil fuel prices.</p> <ul style="list-style-type: none"> • Reforms would see revisions to several existing pieces of legislation including the Electricity Regulation, Electricity Directive, and REMIT Regulation • Introduced measures include incentives for longer term contracts with clean energy generators and increased system flexibility measures including demand side response management and storage systems 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> • 100% clean power by 2045 	<p>Impact score: 3</p> <p>Announced and supportive. The electricity market reform will incentivize and enable an increased share of renewable energy generation.</p>
Germany	Clean power	<p>In March 2023, Germany announced plans to spend billions helping industry with the energy transition using a 'contracts for difference' (CfD) mechanism</p> <ul style="list-style-type: none"> • This spending aims to shift the energy source used in energy-intensive industries from fossil sources to renewables and hydrogen • Companies can qualify for subsidies if they reduce carbon emissions in their production 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> • 100% new zero carbon production facilities from 2040 	<p>Impact score: 3</p> <p>Announced and supportive. The German CfD will accelerate the roll-out of renewable energy by guaranteeing fixed electricity prices for industrial consumers.</p>
UK	Net-zero targets	<p>The UK government announced a suite of energy security and climate policies (March 2023) which outline the government's strategy for reaching emissions targets and achieving energy security.</p> <ul style="list-style-type: none"> • The Green Finance Strategy 2023 would see the UK government adopt the International Sustainability Standards Board (ISSB) for climate-related financial disclosure • Powering Up Britain includes a target of £20bn funding for CCUS in the UK, but funds have not yet been allocated by government • The government also announced that it will hold a consultation in autumn 2023 on developing a UK Green Taxonomy, similar to the EU's system 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> • Net zero by 2050 • 100% zero emission industrial facilities by 2060 	<p>Impact score: 3</p> <p>Announced. UK's March 2023 policy package includes little new ambition compared to previous targets, so is unlikely to accelerate UK's emissions reduction targets.</p>

		<p>The package includes proposals and announcements for a range of clean technologies, including:</p> <ul style="list-style-type: none"> • £160 million in funding for floating offshore wind port infrastructure • £240 million in funding for the Net Zero Hydrogen Fund as part of the first tranche of projects • £380 million to expand the country's electric vehicle charging network <p>The government acknowledged that the new strategy will be insufficient for meeting the government's emissions targets in the 2030s</p>		
US/Brazil	Forestry	<p>In February 2023, the US committed to working with Brazil to support the Amazon Fund - a REDD+ mechanism created to facilitate international fund raising to prevent deforestation of the Amazon.</p> <ul style="list-style-type: none"> • The amount of contribution the United States will make to the Fund is expected to be announced shortly • Any funding will need to be approved by the US Congress 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> • End net deforestation by 2030 • Deliver afforestation at scale by 2030 	<p>Impact score: 3</p> <p>Announced and supportive. The Amazon Fund involves international cooperation for reducing deforestation.</p>
US	Clean transport	<p>In April 2023, the US Environmental Protection Agency proposed new federal vehicle emissions standards from model years 2027-32 that would apply to light-duty, medium-duty and heavy-duty vehicles.</p> <ul style="list-style-type: none"> • The proposal would set maximum fleet-wide emissions thresholds for light- and medium-duty vehicles, which will require automakers to produce a greater share of EVs to meet standards • Under the regulation, carmakers are projected to produce EVs for up to 67% of their light-duty vehicle fleets by 2032 which compares to President Biden's previous announced goal of 50% EV sales by 2030 • The EPA has also proposed new standards for fleet-wide emissions standards for heavy-duty trucks <p>This is the beginning of the rulemaking process with these rules not coming into force yet; there</p>	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> • 100% ZEV (light duty) sales by 2040 	<p>Impact score: 4</p> <p>Announced, acceleration. The EPA's proposed fleet-wide emissions regulations could lead to an acceleration in EV sales and emissions reductions in the US's road transport sector.</p>

		will be a consultation period before the EPA issues the final rules.		
US	Net-zero targets	<p>In March 2023, the Biden Administration gave approval to oil company ConocoPhillips for drilling in three drill pads in the Willow Oil project on federally owned land Alaska. The project could produce up to 576 million barrels of oil over a 30-year period.</p> <p>This is a supply side policy and as such only is significant if demand is failing to fall. This should be considered alongside the electric vehicle policy announcements.</p>	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> Net zero by 2050 100% ZEV (light duty) sales by 2040 	<p>The approval of the Willow Oil project indicates US government support for continued fossil fuel development.</p> <p>This has to be set against demand side policies.</p>
US	Clean power	<p>In March 2023, State senators in Texas introduced a package of nine bills that levy new taxes on renewable power generation while subsidizing the construction of new natural gas power plants. The stated intention of the bills is to increase the security of the Texas power grid. The bills are now expected to be passed by the House in Texas</p> <ul style="list-style-type: none"> Senate Bill 6 will generate public funds for financing and maintaining existing power plants Senate Bill 7 will require wind and solar generators to pay a credit that guarantees that they will be able to deliver power, which increases costs of renewable generation in Texas Senate Bill 2015 will mandate that a minimum of 50% of new power generation is dispatchable, e.g., natural gas. The Bill also directs regulators to consider natural gas as a green electricity source 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> 100% clean power by 2045 	<p>Impact score: 2</p> <p>Announced, deceleration. The suite of bills is expected to slow down the uptake of renewable energy generation on the Texan grid.</p>
US	Net-zero targets	<p>The US Congress passed a bill in February 2023 that would prevent large funds from basing their investments on environmental, social and governance (ESG) factors. However, approximately 3 weeks after this bill was passed, it was vetoed by President Biden, the first time he has exercised this power in office, stopping the bill from going into law.</p>	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> Net zero by 2050 	<p>Though the bill was ultimately vetoed, its passing in Congress indicates opposition to climate policy in the US in certain states.</p>

Australia	<p>Clean industry</p> <p>Carbon pricing</p>	<p>In March 2023, Australia unveiled a new scheme to cut emissions from polluting facilities</p> <ul style="list-style-type: none"> • The Australian government's Safeguard Mechanism Amendment Bill has been passed by parliament, with the agreements coming into force in July this year • The safeguard mechanism places a 1233 MtCO₂ cap on the nation's emissions between 2021 and 2030 • The country's 215 most polluting facilities, all with emissions in excess of 100,000 tCO₂/year, will be required to reduce their emissions by 30% by 2030 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> • 100% new zero carbon production facilities from 2040 • Tier 1 countries/regions: Carbon price of US \$60 by 2030 	<p>Impact score: 3</p> <p>Announced and supportive. Australia's program will require industrial producers to reduce their emissions.</p>
South Korea	<p>Coal phase out</p>	<p>South Korea announces target to increase nuclear power from 26% of capacity in 2021 to 32.4% by 2030 and 34.6% by 2036.</p> <ul style="list-style-type: none"> • South Korea has additionally set a target to reduce its reliance on power generation from fossil fuels • Coal-fired power is targeted to decrease from 33% in 2021 to 19.7% by 2030 and 14.4% by 2036 • Gas-fired generation is targeted to decrease from 31% in 2021 to 22.9% by 2030 and 9.3% by 2036 • The new targets come as part of a wider target for South Korea to reduce GHG emissions by 40% by 2030 (relative to 2018) 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> • Coal phase out by 2045 	<p>Impact score: 3</p> <p>Announced and supportive. South Korea has set targets to reduce the share of carbon-emitting sources in the country's power sector.</p>
Indonesia	<p>Carbon pricing</p> <p>Coal phase out</p>	<p>Indonesia's government officially launched a carbon trading scheme with emissions quotas covering coal plants with a total capacity of 33.6 GW in February 2023.</p> <ul style="list-style-type: none"> • Phase 1 of the scheme is set to cover plants with a capacity of 25 MW or more, that are connected to power grids and owned by the state-owned utility, Perusahaan Listrik Negara <p>Larger plants will face stricter quotas.</p> <ul style="list-style-type: none"> • Indonesia has 99 coal plants, with a total capacity of 33.6 GW that could join the scheme by the end of the year 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> • Tier 3 countries/regions: Carbon prices reaching US\$45 by 2030 • New coal build: Policy and reforms targeting 2030 • Coal generation phase out by 2060 	<p>Impact score: 3</p> <p>Announced and supportive. This policy will limit the expansion of coal-fired plants as it sets a maximum quota for coal power emissions.</p> <p>As a first step towards creating a domestic carbon trading</p>

		<ul style="list-style-type: none"> Indonesia has set a target to achieve net zero emissions by 2060 Under the scheme, coal-fired power plants can purchase emission credits from other coal or renewable generation plants if they exceed their emissions quota The expected prices are between US\$2/tCO₂ and US\$18/tCO₂ 		market, this policy will incentivize less-polluting forms of power generation as it levies a price on coal-fired power. This follows the November 2022 announcement of a \$20 billion package to retire Indonesian coal plants and deploy renewables.
India	<p>Net-zero targets</p> <p>Carbon pricing</p>	<p>India's Ministry of Power published draft guidelines for how the country will operate its Carbon Credit Trading Scheme in March 2023.</p> <ul style="list-style-type: none"> The guidelines propose the creation of an Indian Carbon Market Governing Board which will be responsible for overseeing the development of the country's voluntary and compliance carbon market The Board will be composed of 13 members who would each be representatives of government ministries or agencies <p>The Indian government has notified the National Designated Authority with a list of eligible activities under Article 6.2 under the Paris Agreement.</p> <ul style="list-style-type: none"> Green hydrogen, sustainable aviation fuel, and CCUS are among the 13 activities that have been listed as eligible to generate carbon credits The full list of eligible activities includes 11 mitigation types, one alternative material and one carbon removal activity 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> Net-zero by 2060 Tier 2 countries/regions: Carbon prices reaching US\$50 by 2030 	<p>Impact score: 3</p> <p>Announced and supportive. These announced draft guidelines will help develop the carbon credit market in India.</p>
Nigeria	Carbon pricing	<p>In February 2023, Nigeria announced plans to launch a carbon pricing system under the country's Climate Change Act 2021.</p> <ul style="list-style-type: none"> The system will come in the form of an established carbon budget and carbon tax that requires polluters to pay the state per tonne of emissions 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> Tier 3 countries/regions: Carbon prices reaching US\$35 by 2030 	<p>Impact score: 3</p> <p>Announced and supportive. Nigeria's plan will introduce a carbon price for heavy emitters.</p>

		<ul style="list-style-type: none"> This new policy will form part of Nigeria's Energy Transition Plan outlined last year, which aims to drive the country to carbon neutrality but with an emphasis on gas 		
Canada	Clean industry	<p>The Canadian government has announced new standards for major public procurement contracts.</p> <ul style="list-style-type: none"> As of April 1st, 2023, all government suppliers with contracts in excess of CAD \$25 million will be required to disclose their greenhouse gas (GHG) emissions and set targets to reduce them. Suppliers can adhere to this requirement through participation in Canada's Net-Zero Challenge or any other approved and functionally equivalent standard. All major new government construction projects will be additionally required to report and reduce their embodied carbon footprint. The initiative will start with concrete and will require the emissions associated with a project's concrete to be at least 10% less than the regional average for concrete. 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> 100% new zero carbon production facilities from 2060 	<p>Impact score: 3</p> <p>Announced and supportive. Subsidies for low-carbon cement producers which are supportive of IPR's FPS forecast.</p>
Canada	Carbon pricing	<p>Canada's federal government released its 2023 budget which includes a carbon market safeguard mechanism along with new credits for green industries.</p> <ul style="list-style-type: none"> The budget's proposal for contracts for difference (Cfd) is intended to reduce uncertainty around future prices of carbon credits and green commodities. The CfD mechanism would see the government sign long-term deals for carbon credits and other commodities including hydrogen at fixed prices. The budget also includes \$16.4 billion CAD in tax credits for clean technology manufacturing, clean electricity and hydrogen, along with \$500 million CAD in new subsidies for CCUS. 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> Signal or backstop of US\$85 by 2030 	<p>Impact score: 3</p> <p>Announced and supportive. A safeguard mechanism that would ensure a high carbon price floor that is in line with IPR's FPS forecast.</p>
UK	Carbon pricing	<p>The UK government is expected to propose a carbon border tax that would impose a levy</p>	<p>1.8°C FPS:</p>	<p>Impact score: 3</p>

		<p>on imported steel as part of the steel industry aid package.</p> <ul style="list-style-type: none"> The proposal will come as part of a £600m support scheme for British Steel and Tata Steel UK to switch away from coal-fired blast furnaces to greener alternatives. 	<ul style="list-style-type: none"> Signal or backstop of US\$75 by 2030 	<p>Announced and supportive. Indicates UK policy support for a strong carbon price in industry, which is in line with IPR's FPS forecast.</p>
EU	ICE ban – Heavy-duty vehicles	<p>The European Commission proposed new CO2 emissions targets for all new heavy-duty vehicles (HDVs) from 2030 onwards.</p> <ul style="list-style-type: none"> New HDVs will be required to reduce emissions by 45% from 2030, 65% from 2035, and 90% from 2040, compared with 2019 levels. The target covers HDVs including trucks, city buses, and long-distance buses. Collectively these vehicles account for more than 6% of the EU's total GHG emissions, and more than 25% of emissions from road transport. The Commission has additionally proposed requiring all city buses to be 'zero emission buses' as of 2030 to stimulate emission reduction in cities. 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> 100% ZEV sales of heavy-duty vehicles by 2040 (in France, Germany and Italy) 	<p>Impact score: 3</p> <p>Announced and supportive. The regulation would require heavy-duty vehicles to reduce emissions by 90% by 2040, which indicates policy ambition that is supportive of IPR's FPS forecast.</p>
EU	Low-carbon buildings	<p>The European Parliament has adopted its climate position on the building sector, with the next stage now moving to trilogue negotiations with the EU Council.</p> <p>The agreed position includes the following:</p> <ul style="list-style-type: none"> All new buildings should be zero emission by 2028, with this being 2026 for buildings owned by public authorities All new buildings should have solar technologies by 2028 where feasible, with this being 2032 for those undergoing major renovation There are also a series of tightening of energy performance standards A target for the EU buildings sector to be climate neutral by 2050 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> 100% zero carbon heating sales by 2035 	<p>Impact score: 3</p> <p>Announced and supportive. A strategy and target to reduce emissions and achieve carbon neutrality in the buildings sector which is consistent with IPR's forecast for buildings in the EU.</p>

EU	Land use and forestry	<p>EU legislators have formally adopted a new law which increases the target for net GHG removals from the land use, land use change and forestry sector (LULUCF) to 310 million t/CO₂e by 2030 which is ~15% more than currently.</p> <ul style="list-style-type: none"> • The increase could reduce the EU's emissions in 2030 by an additional 2% (from 55% to 57%) below 1990 levels. • All EU member states will have nationally binding LULUCF targets by 2030. • Currently member states must ensure that emissions in the LULUCF sector do not exceed removals – this will apply until 2025. • From 2026-2029, EU countries will have four-year budgets as opposed to the current annual targets. 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> • End deforestation and deliver afforestation at scale by 2030 	<p>Impact score: 4</p> <p>Legislated, acceleration. An increase in the target of net carbon removals would imply net afforestation in the LULUCF sector, which indicates an acceleration compared to IPR's FPS forecast.</p>
EU	Clean industry	<p>The European Commission has proposed the Net Zero Industry Act targeted at scaling up clean tech manufacturing within the EU as part of the wider Green Deal Industrial Plan announced last month.</p> <ul style="list-style-type: none"> • There are 8 categories of strategic net zero technologies which include solar photovoltaic and solar thermal, onshore and offshore wind, battery/storage, heat pumps and geothermal energy, electrolysers and fuel cells, sustainable biogas/biomethane, carbon Capture and storage (CCS), grid technologies • The Act sets a goal of at least 40% domestic production of the 'strategic net zero technologies' by 2030. • The target will be achieved by creating a regulatory environment which creates better conditions for setting up net zero projects in Europe including speeding up permitting processes, accelerating CO₂ capture, and requiring public authorities to consider sustainability criteria in procurement decisions 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> • 100% new zero carbon production facilities from 2060 	<p>Impact score: 3</p> <p>Announced and supportive. The NZIA will direct governments to support an acceleration in clean industry in the EU, through public procurement and improvements to financing and permitting processes, which is supportive of IPR's clean industry forecast.</p>

EU	ICE ban – Light-duty vehicles	<p>Zero emission vehicles: ‘Fit for 55’ deal will end the sale of new CO2 emitting cars in Europe by 2035</p> <ul style="list-style-type: none"> • The European Council and Parliament have adopted new rules that requires all new cars and vans registered in the EU to be zero-emission vehicles by 2035. • The new standards will additionally require the average emissions of new cars and vans to fall by 55% and 50% respectively by 2030. • An exemption has been made that will allow the sale of internal combustion engine (ICE) cars that run exclusively on e-fuels following opposition to their exclusion from the German government. • The agreement now requires formal adoption to enter into force. 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> • 100% ZEV sales from 2035 	<p>Impact score: 3</p> <p>Legislated and supportive. The EU's 2035 vehicle emissions regulations would achieve 100% sales of net zero CO2 vehicles by 2035, in line with IPR's FPS forecast.</p>
EU	Net zero targets	<p>In December 2022, the EU Parliament and the Council reached an agreement to repurpose remaining funds in the Recovery and Resilience Fund (RRF) to support the EU's REPowerEU initiative. The RRF was developed in February 2021 in response to the Covid-19 pandemic. The repurposing of funds will include approximately EUR 250 bn in grants and loans to finance REPowerEU measures.</p>	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> • Net zero by 2050 	<p>Impact score: 3</p> <p>Announced and supportive. The member states will have access to additional loans and grants for supporting clean industry through the RRF, which is supportive of IPR's FPS net zero forecast.</p>
EU	Clean power	<p>The European Council and Parliament reached a provisional agreement to increase the share of energy consumption that comes from renewable sources to 42.5% by 2030 with ‘an additional 2.5% indicative top up that would allow to reach 45%.’</p> <ul style="list-style-type: none"> • More ambitious sector-specific targets have been agreed for sectors where the incorporation of renewables has been slower. • Transport <ul style="list-style-type: none"> ○ Member states can choose between: 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> • Strong policy to develop 100% clean power by 2045 	<p>Impact score: 3</p> <p>Announced and supportive. New targets for renewable energy use in heavy-emissions sectors which are supportive of IPR's FPS clean power forecast.</p>

		<ul style="list-style-type: none"> – a binding target of 14.5% GHG intensity reduction in transport from the use of renewables by 2030. – a binding target of a renewable share of a least 29% within the final consumption of energy in the transport sector by 2030. • Industry <ul style="list-style-type: none"> ○ Industry must increase its use of renewable energy each year by 1.6%. ○ 42% of hydrogen used in industry must come from renewable fuels of non-biological origin by 2030 and 60% by 2035. Buildings, heating, and cooling. ○ Buildings will be required to have a renewable energy share of at least 49% by 2030. 		
France	Clean power	<p>The French Parliament adopted the Renewable Energy Acceleration Law, aimed at accelerating the development of renewable electricity generation in France.</p> <ul style="list-style-type: none"> • France previously set a target of reaching a 23% share of renewables in final energy consumption by 2020 which it missed, reaching 19.1% instead. In 2021 this figure rose to 19.3%. • The Law includes targets to increase solar capacity to more than 100GW, to double onshore wind capacity to 40GW, and to deploy 40GW of offshore wind parks – all by 2030. 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> • Strong policy to develop 100% clean power by 2035 	<p>Impact score: 4</p> <p>Announced, acceleration. Targets for renewable energy roll-out which have higher ambition than IPR's modelling expectations, indicating an acceleration compared to the FPS forecast.</p>
Germany	Clean power	<p>Germany plans to build 25 GW of new gas-fired capacity by 2030</p> <ul style="list-style-type: none"> • The German government announced plans to open an auction for gas-fired generation plants later this year. • The announcement comes as part of a strategy to add between 17GW and 25GW of gas-fired power capacity by 2030, with plants needing to be hydrogen-ready. 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> • Strong policy to develop 100% clean power by 2045 	<p>Impact score: 2</p> <p>Announced, deceleration. Germany's strategy to add additional natural gas-fired plants could imply a delay in the country reaching 100% clean power, indicating a deceleration</p>

				compared to IPR's FPS forecast.
India	Clean power	<p>India announces \$4.3 billion investment in clean energy</p> <ul style="list-style-type: none"> The Indian government has committed to investing \$4.3bn in green technology. The funding will focus on solar power from the region of Ladakh, and green hydrogen production. 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> Strong policy to develop 100% clean power by 2060 	<p>Impact score: 3</p> <p>Announced and supportive. Financial support for renewable power roll-out which is supportive for IPR'S FPS forecast of a 100% clean power system by 2060.</p>
Japan	Clean industry	<p>Japan set a target to reach a CO2 storage capacity as part of its carbon capture and storage roadmap</p> <ul style="list-style-type: none"> The Japanese Ministry of Industry (METI) announced a CO2 storage capacity target of 6 - 12 MtCO2/year by 2030. METI has additionally estimated that Japan could reach 120 - 240 MtCO2/year of capacity in 2050, although this has not been set as an official target. 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> 100% new zero carbon production facilities from 2060 	<p>Impact score: 3</p> <p>Announced and supportive. Policy support for CCS capacity which could support the roll-out of zero carbon industry in Japan, which is supportive of the FPS forecast of 100% new zero carbon production facilities from 2060.</p>
South Korea	Clean industry	<p>South Korea lowered GHG reduction target for industry to 11.4% by 2030</p> <ul style="list-style-type: none"> South Korea has announced a decrease in the ambition of its greenhouse gas (GHG) emission reduction target for the industrial sector. The sector will be required to reduce its emissions by 11.4% by 2030 compared to 2018 levels. This represents a ~3% point decrease from the previous target of 14.5% in the same timeframe. 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> 100% new zero carbon production facilities from 2060 	<p>Impact score: 3</p> <p>Announced and supportive. Reduced ambition for emissions reductions in industry by 2030 but the emissions targets are still in line with IPR's FPS modelling expectations, which means it is supportive of the</p>

		<ul style="list-style-type: none"> South Korea has maintained its overall target to reduce total emissions by 40% by 2030, and increased its emissions reduction target in the renewable sector from 44.4% to 45.9% by 2030, compared to 2018. 		FPS clean industry forecast for South Korea.
US	Carbon pricing	<p>New York commences development of economy-wide carbon market</p> <ul style="list-style-type: none"> Kathy Hochul, the governor of New York has announced the launch of a 'cap-and-invest' scheme. The programme is expected to establish a cap on greenhouse gas (GHG) emissions that will decline over time. Credits will be priced per metric ton of emissions, with large-scale emitters and distributors of heating and transport fuels required to purchase their allowances. Revenues, which could reach up to \$1bn, will be invested in reducing the city's emissions. 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> US\$65 by 2030 	<p>Impact score: 3</p> <p>Legislated and supportive. State-level policy support for carbon pricing which is supportive of IPR's forecast of a US carbon price floor or equivalent policy mechanisms of US\$65 by 2030.</p>
Russia	Clean power	<p>Russia plans to build 29 new nuclear reactors by 2045</p> <ul style="list-style-type: none"> Russia has released a plan to build 29 new nuclear reactors by 2045. The country plans for nuclear generation capacity to provide ~20% of electricity generation to 2035. There were 37 operational nuclear reactors in Russia at the end of 2021. 	<p>1.8°C FPS:</p> <ul style="list-style-type: none"> Strong policy to develop 100% clean power by 2060 	<p>Impact score: 3</p> <p>Announced and supportive. Policy support for nuclear power generation which is supportive of IPR's FPS clean power forecast.</p>