

## PHOTONEWS



Opinion article by Iberdrola Chairman Ignacio S. Galán, published in 'Expansión' on August 19

### Point of no return or opportunity to consolidate a new path?

A few days ago, the sixth report by the United Nations Intergovernmental Panel on Climate Change was published. It was based on 14,000 research articles, involved 234 scientists from 65 countries and incorporated 78,000 comments. Thanks to advances in climate science, the report has found with unprecedented conclusiveness that the planet is crying out for radical changes to ensure its survival and that the causes of climate change, and therefore also the ability to reverse it, lie unequivocally with human activity.

The burning of fossil fuels continues to drive temperatures to record highs, pollute the air we breathe and destroy the ecosystems that are essential to the planet's ecological balance. The authors of the report warn of the direct and indisputable link between the impact of human activity and extreme weather phenomena including droughts, floods, heat waves and fires, while stressing with great clarity that we have never been closer to reaching the point of no return.



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The picture painted by the study, coupled with the negative inertia generated by decades of inaction, could lead to despondency. But there is every reason to believe that the situation is still reversible. Because, while we now know the diagnosis of the disease that afflicts us, we also have the knowledge, the technology and the skills to put a stop to it today.

The main conclusions of the report have been approved by all the governments of the organisation's member countries and it is a call for urgent action by the scientific community: there is no other way but to drastically accelerate the policies that will lead to carbon neutrality, such as abandoning fossil fuels and a commitment to efficiency, renewable energy and investment in electricity grids and their digitalisation. To achieve this goal, all the non-emitting energy sources will be necessary, without penalising any of them for circumstantial reasons.

Just a few decades ago, a statement like this could have meant facing an abyss of uncertainty, but today we know that changing the energy system is perfectly feasible. We can find pioneering universities, research centres and companies that are leading this transformation all over the world. We must therefore take advantage of this wake-up call to act urgently, with greater determination and boldness, to reverse the situation and transform our model into a more resilient and sustainable one. And a more prosperous one for everyone.

In recent years, countries have been working to define commitments and frameworks for action that, now more than ever, require rapid implementation and well-targeted stimuli to mobilise different actors to take concrete and consistent action. This requires regulatory regimes that aim at ambitious short, medium- and long-term objectives and are not influenced by the current situations.

Almost six years ago, the Paris Agreement, signed by 197 countries, set ambitious targets for tackling the climate emergency: To keep the temperature increase below the 2°C threshold and to make every effort to limit it to no more than 1.5°C. The expert analysis published this week has shown that the 1.5°C target can only be achieved with immediate and high-impact action to reduce emissions. It is time to act. Let me stress, with determination and urgency. The foundations have been laid.



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The momentum being shown by the EU countries has now been backed up by other world powers, such as the United States and Japan. They have identified the green transition and digitalisation as the cornerstones for the revival and modernisation of our economies. And they have gone further, backing up their decarbonisation strategy with stimulus mechanisms and resources as part of their recovery plans.

The commitments made at the EU level -the *Green Deal* and the European Climate Law, implemented through the *Fit for 55*, programme- and also at the national level -Spain's National Integrated Energy and Climate Plan (PNIEC) and the Climate Change and Energy Transition Act- have provided frameworks of opportunity to address these challenges, but they now need to be translated into coherent decisions and swift and effective action.

We need to move boldly towards a framework that promotes more investment, resources and action plans in productive and forward-looking sectors; that accelerates the transition to models that are more respectful of the planet's resources and more aligned with climate ambition, rather than penalising them.

Specifically, in the field of energy, we must accelerate the implementation of renewable and competitive production sources and promote greater energy efficiency in consumption. Electrification of end uses such as mobility and home heating systems will be essential for this. In addition, we must allocate more resources to foster innovation, large-scale (pumped hydro) and small-scale (battery) storage, as well as the digitalisation of our electricity grids, which are the backbone of the energy system.

However, in order to achieve this, it is also necessary to tackle reforms that go beyond energy regulation, streamlining administrative processes; promoting alliances among companies and between the private and public sectors; undertaking a review of energy taxation under the polluter pays principle; and taking on profound educational reform in order to prepare our young people for the professions of the future as a national priority, which will require encouraging STEM disciplines, especially among women, and promoting entrepreneurship.

And this is because the green and circular economy, whose urgent adoption this report calls for, will not only provide us with cleaner and more competitive energy, but can also lead to a new development for sectors such as the automotive industry, manufacturing, construction, capital goods and engineering and a more efficient and sustainable economic model that



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generates skilled employment and provides greater welfare for society at large. In this regard, a recent report by *Analistas Financieros Internacionales* (Afi) estimates that for every point of GDP invested in the green economy, three points of positive impact are generated back.

Spain is in a privileged position to take advantage of the opportunities that this increased climate ambition represents. We have excellent renewable resources in the form of sun, wind and water, we have excellent human capital, and our companies are also demonstrating their willingness to tackle change. Through commitments, but mainly through actions. At Iberdrola, we have been committed for the past 20 years, with a conviction that is often misunderstood, to the fight against climate change. We are currently implementing an unprecedented investment plan worth €75 billion by 2025, which will total €150 billion over the decade, to triple our renewable capacity worldwide, advance in the deployment and modernisation of our digital grids and innovate in future technologies, such as storage, green hydrogen and smart solutions for mobility and homes. A programme that is driving activity across our value chain when it is needed most, sustaining more than 400,000 jobs around the globe.

Every step we take will determine whether or not we reduce the impact of climate change and seize the socio-economic opportunities presented by a green and digital economy, shaping our future and that of generations to come. COP26, the United Nations Climate Change Conference, will take place in Glasgow in the autumn. Let us use this global summit to accelerate existing policies on the one hand, while pushing for greater ambitions on the other. According to the United Nations report, human activity, which has brought us unprecedented levels of development in countless respects, has also led us to this crossroads. I trust that governments, businesses and citizens, collectively, will retain their willingness to find a solution.

