

Foreword.....	5
Acknowledgements.....	7
Executive summary	17

1

Overview and key findings

23

Introduction	25
1.1 A peak by 2030 for each of the fossil fuels	26
1.1.1 Coal: Scaling up clean power hastens the decline	27
1.1.2 Oil: End of the “ICE age” turns prospects around.....	28
1.1.3 Natural gas: Energy crisis marks the end of the “Golden Age”.....	29
1.2 A slowdown in economic growth in China would have huge implications for energy markets	31
1.2.1 China’s growth has defined the energy world in recent decades	31
1.2.2 Integrating a slowdown in China’s economy into the STEPS	32
1.2.3 Sensitivities in the Outlook.....	35
1.3 A boom of solar manufacturing could be a boon for the world	36
1.3.1 Solar module manufacturing and trade.....	37
1.3.2 Solar PV deployment could scale up faster to accelerate transitions	38
1.4 Pathway to a 1.5 °C limit on global warming is very tough, but it remains open.....	42
1.4.1 Four reasons for hope	42
1.4.2 Four areas requiring urgent attention	46
1.5 Capital flows are gaining pace, but not reaching the areas of greatest need	49
1.5.1 Fossil fuels	50
1.5.2 Clean energy	51
1.6 Transitions have to be affordable.....	52
1.6.1 Affordability for households.....	53
1.6.2 Affordability for industry	55
1.6.3 Affordability for governments	57
1.7 Risks on the road to a more electrified future	59
1.7.1 Managing risks for rapid electrification	60
1.7.2 Critical minerals underpin electrification	62
1.8 A new, lower carbon pathway for emerging market and developing economies is taking shape.....	63

1.9	Geopolitical tensions undermine energy security and prospects for rapid, affordable transitions	68
1.9.1	Clean energy in a low-trust world	69
1.9.2	Fossil fuels in a low-trust world	71
1.9.3	Risks of new dividing lines	72
1.10	As the facts change, so do our projections.....	73
1.10.1	Solar PV and wind generation	75
1.10.2	Natural gas.....	77

2

Setting the scene 79

2.1	New context for the <i>World Energy Outlook</i>	81
2.1.1	New clean energy economy	84
2.1.2	Uneasy balance for oil, natural gas and coal markets	86
2.1.3	Key challenges for secure and just clean energy transitions	88
2.2	WEO scenarios.....	91
2.2.1	Policies.....	92
2.2.2	Economic and demographic assumptions	93
2.2.3	Energy, critical mineral and carbon prices.....	95
2.2.4	Technology costs	99

3

Pathways for the energy mix 101

3.1	Introduction.....	103
3.2	Overview	104
3.3	Total final energy consumption.....	107
3.3.1	Industry.....	108
3.3.2	Transport	113
3.3.3	Buildings	118
3.4	Electricity	123
3.5	Fuels	130
3.5.1	Oil	130
3.5.2	Natural gas.....	135
3.5.3	Coal	140
3.5.4	Modern bioenergy.....	145
3.6	Key clean energy technology trends	147

4.1	Introduction.....	157
4.2	Environment and climate	158
4.2.1	Emissions trajectory and temperature outcomes	158
4.2.2	Methane abatement.....	161
4.2.3	Air quality	164
4.3	Secure energy transitions.....	166
4.3.1	Fuel security and trade	166
4.3.2	Electricity security	171
4.3.3	Clean energy supply chains and critical minerals	178
4.4	People-centred transitions	183
4.4.1	Energy access.....	183
4.4.2	Energy affordability	187
4.4.3	Energy employment	191
4.4.4	Behavioural change	193
4.5	Investment and finance needs	197

5.1	Introduction.....	205
5.2	United States	206
5.2.1	Key energy and emissions trends	206
5.2.2	How much have the US Inflation Reduction Act and other recent policies changed the picture for clean energy transitions?	208
5.3	Latin America and the Caribbean	211
5.3.1	Key energy and emissions trends	211
5.3.2	What role for Latin America and the Caribbean in maintaining traditional oil and gas security through energy transitions?	213
5.3.3	Do critical minerals open new avenues for Latin America and the Caribbean's natural resources?	214
5.4	European Union.....	216
5.4.1	Key energy and emissions trends	216
5.4.2	Can the European Union deliver on its clean energy and critical materials targets?	218
5.4.3	What next for the natural gas balance in the European Union?	219
5.5	Africa	221

5.5.1	Key energy and emissions trends	221
5.5.2	Recharging progress towards universal energy access.....	223
5.5.3	What can be done to enhance energy investment in Africa?.....	224
5.6	Middle East.....	226
5.6.1	Key energy and emissions trends	226
5.6.2	Shifting fortunes for energy exports.....	228
5.6.3	How is the desalination sector changing in times of increasing water needs and the energy transition?	229
5.7	Eurasia	231
5.7.1	Key energy and emissions trends	231
5.7.2	What's next for oil and gas exports from Eurasia?	233
5.8	China.....	236
5.8.1	Key energy and emissions trends	236
5.8.2	How soon will coal use peak in China?	238
5.9	India.....	241
5.9.1	Key energy and emissions trends	241
5.9.2	Impact of air conditioners on electricity demand in India.....	243
5.9.3	Will domestic solar PV module manufacturing keep pace with solar capacity growth in India?.....	244
5.10	Japan and Korea	246
5.10.1	Key energy and emissions trends	246
5.10.2	Challenges and opportunities of nuclear and offshore wind.....	248
5.10.3	What role can hydrogen play in the energy mix and how can the governments deploy it?	249
5.11	Southeast Asia	251
5.11.1	Key energy and emissions trends	251
5.11.2	How can international finance accelerate clean energy transitions in Southeast Asia?	253
5.11.3	How can regional integration help integrate more renewables?....	254

Annexes

Annex A. Tables for scenario projections.....	259
Annex B. Design of the scenarios	295
Annex C. Definitions.....	319
Annex D. References	339
Annex E. Inputs to the Global Energy and Climate Model	347