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Real Energy: The Now and Future Role of Oil and Gas in Climate Scenarios

New White Paper from Adamantine Energy Analyzes 20 Climate Scenarios—Which, Surprisingly, Emphasize the Oil and Gas Industry's Role in the Low-Carbon Future

Climate scenarios—key factors in investing, policymaking, and shaping public discourse on the energy sector—are increasingly misinterpreted as evidence the world must immediately move to a fossil-fuel-free energy system. These misinterpretations inhibit much of the work required to build a decarbonized energy system, because they minimize the prominent role the oil and gas industry will play in the decarbonizing energy future.

The advisory firm Adamantine Energy wanted to understand whether the popular interpretation of climate scenarios—that the world must immediately end oil and gas production—was consistent with the actual findings of those analyses. The result is the firm's latest white paper, *Real Energy: The Now and Future Role of Oil and Gas in Climate Scenarios*. In their research for *Real Energy*, Adamantine Founder and CEO Tisha Schuller and Adamantine research analyst Savannah Bush found that most of the paper's 20 analyzed scenarios—even those with more ambitious decarbonization timelines—deem oil and gas critical components of the global energy mix through 2050.

Our Climate Scenario Analysis: The Persisting Role of Oil and Gas

The 20 climate scenarios *Real Energy* examines are a diverse and publicly available mix found in frequently cited studies in publications of leading international organizations. Bush said these scenarios are commonly referenced by investors, stakeholders, and policymakers as leading indicators of potential climate futures.

"Our analyses of the scenarios were twofold: review the scenarios' dependence on oil-and-gas-adjacent technologies and infrastructures along with the overall outlook for the industry," Bush said.

Real Energy finds most of the analyzed scenarios agree that both oil and natural gas will be required to satisfy global energy demand under almost any future market scenario—even ones in which policies increasingly aim to limit fossil fuel use and reduce greenhouse gas emissions.

"The oil and gas industry is best suited to lead in rapid decarbonization of the energy system," Schuller said. "Amidst political polarization, there can be a temptation to exclude oil and gas companies, their employees, and their communities from planning conversations around the energy future. Instead, these scenarios emphasize the central role that today's companies and employees will play in accelerating progress. Policymakers have significantly more tools in the climate toolbox when they understand the role of today's oil and gas companies in decarbonizing the energy system."

Adjacent technologies, such as carbon capture and sequestration (CCS), hydrogen, and geothermal, will be critical to decarbonization. All but one scenario examined in *Real Energy* indicate that these technologies are needed to reach the world's collective climate goals. "CCS, hydrogen, and geothermal leverage the existing oil and gas infrastructure, technology, and competencies," Schuller said.

“Decarbonization at scale is not possible without us taking advantage of the innovations of the oil and gas industry.”

Real Energy is available to download.

About Adamantine Energy

Polarization around energy and climate has left energy companies facing an unprecedented set of challenges—from regulatory burdens to conflicting stakeholder demands—evolving at breakneck speed. At Adamantine, we help you see the opportunities in these challenges—opportunities not just for profit, but for your company to position itself for the coming decades, even to lead the world into the energy future. We partner with our clients to produce visionary and yet pragmatic strategies for their challenges around environmental social governance; decarbonization; diversity, equity, and inclusion; environmental justice; and stakeholder engagement. We pride ourselves in creating strategies that are truly sustainable—in every sense of the word—to meet the demands of your future.

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