



## Reasons For Optimism

They say that hope, like sources of renewable energy, springs eternal.

The millions of people across Europe buying energy today are hoping for change in energy markets. Today those markets fail to protect our children's children from the devastating effects of climate change, fail to deliver a cost of energy that people can afford and fail to deliver long term energy security.

Why? Because Europe relies on imported gas for its energy. Gas prices are rising. Everyone is affected – higher prices to heat homes and higher prices for the electricity that illuminates them.

The decision by the German government to suspend the Nordstream 2 gas pipeline, conceived and constructed to provide a new route for Russian gas into Europe's largest economy, changes both nothing and everything about the European gas market. Nordstream 2 hasn't yet and is now unlikely to deliver any gas to Europe. At one level, nothing has changed in terms of Europe's gas supply in the last few weeks.

But the German Chancellor's accompanying comments to Nordstream 2's cancellation, and then the myriad of announcements from the UK and Europe regarding plans to reduce further imports from Russia, show that Europe is now very, very serious about diversifying its energy supply away from gas. Reducing Europe's reliance on gas, reducing the amount of carbon dioxide produced to power Europe and reducing Europe's cost of energy will be achieved by investing in the infrastructure that captures Europe's abundant sources of renewable energies – solar and wind in particular.

Some 15 years ago, politicians spoke of delivering the "Energy Trilemma" – decarbonisation, affordability and security. Sadly, those priorities remain. But there are reasons for optimism. There has been significant positive change over the last 15 years.

Most importantly the majority of people now believe that decarbonisation is imperative and they let their leaders know. In turn politicians delivered the market signals that investors needed to invest billions of pounds in renewable energy infrastructure. And that investment has made a material dent in the carbon emissions of European energy markets. Since Cop 26, those signals have been captured under the "Net Zero" pledges.

Today Octopus is confident that wind farms and solar farms will solve the Energy Trilemma. It wasn't confident 15 years ago, so why now? Put simply, because wind and solar are now the cheapest forms of energy (and the cost continues to fall) and because the tools to manage the fact that the wind and sun don't always blow and shine have been developed.

European energy can be zero carbon, affordable and secure. Octopus asks that leaders seize this moment to deliver the European energy market that European people hope for. The path is clear.