Breaking the Energy Crises Cycle: The Renewables Action Plan

Today's crisis in the Middle East has once again exposed the fragility of the world's fossil fuel dependent energy system. Governments should treat the oil and gas price shocks reverberating through the world economy as a pivotal turning point and urgently accelerate the transition to renewable energy. This isn't just a matter of cheaper, cleaner, and more resilient energy. It is a matter of national security.

Renewable energy is the fastest and most cost competitive solution to long-term energy security, resilience and prosperity. Fast-tracking the deployment of wind, solar, hydro, geothermal and energy storage projects will protect countries from price volatility and energy market failure.

Global context

The same crisis, on repeat: Energy crises keep recurring because the energy system remains stuck in the past. From the oil shocks of the 1970s, to the Gulf War of the 1990s, to the 2022 gas crisis after Russia's invasion of Ukraine, to today's conflict in the Middle East, the same vulnerability is exposed: dependence on imported; volatile fossil fuels leaves economies highly susceptible to price spikes, supply disruptions and economic and political instability.

When fossil fuel prices spike, entire economies pay: With three-quarters of the world reliant on imported fossil fuels, continued dependence on fossil fuels is a serious risk to jobs and livelihoods. International price shocks quickly ripple through national economies, risking renewed inflation and financial contagion. Because oil and gas underpin electricity, heating, transport and industry, price surges raise household bills, strain public finances and erode business competitiveness.

Renewables can break the crisis cycle: The current crisis is a stark reminder of the inherent hazards of fossil fuel dependence and why governments must accelerate the shift to home-grown renewable energy. Wind, solar, hydropower, geothermal and other renewables rely on local resources and have stable operating costs, reducing exposure to global fuel price volatility. Countries that have invested in higher shares of renewables, grids and storage have proven more resilient.

Renewable energy = energy security: Just as the preceding energy crises triggered stronger international cooperation on energy security, today's crisis should drive a coordinated push toward renewable, electrified and resilient energy systems. Numerous

countries have already responded by reaffirming their commitment to accelerating renewable energy deployment plans, reflecting a broader shift away from volatile fossil fuel markets.

Priority Actions for Governments

Launch emergency measures to fast-track renewable energy deployment
The Global Renewables Alliance and its member associations call on policy makers to seize the moment and implement the following measures in response to the current energy crisis.

Governments should immediately review exposure to fossil fuel price shocks and respond by implementing emergency policy packages to protect consumers and economies: Diversify power sources, reduce taxes on electricity, increase energy efficiency, strengthen resilience and scale renewable energy and storage deployment at unprecedented speed:

1. **Fast-track emergency permitting:** Accelerate regulatory approvals by urgently streamlining permitting and consenting procedures for renewables and short- and long-duration storage projects to deliver a major expansion of capacity within the next 36 months.

2. **Address grid and storage blockers:** Expand, modernise and optimise electricity grids and storage systems to integrate new renewable capacity, provide reliability and maximise consumer access to low-cost renewables. Significantly shorten lengthy grid connection queues and accelerate grid access by guaranteeing priority dispatch for renewables.

3. **Mobilise financing now:** Unlock and de-risk public and private investment for renewable energy and storage projects and associated infrastructure, by introducing preferential interest rates and financing, decreasing financial institution lending limits, creating renewable lending windows, and redirecting capital away from carbon intensive industries.

4. **Move swiftly to electrification:** Introduce and implement national strategies to accelerate end-use electrification and system integration across transport, heating and industry, supported by flexibility markets, demand response and short- and long-duration energy storage. For sectors which cannot be electrified directly with renewables, green hydrogen is the solution.

5. **Scale up supply chains:** Develop robust industrial strategies for supply chain development with clear milestones to expand renewable, grid and storage deployment and stockpiling. Create clear demand signals and offtake frameworks, increase pipeline visibility, and generate long-term revenue certainty, to promote necessary investments in critical manufacturing and labour force capacity.