NEWS AND VIEWS ON THE DRIVE TOWARDS NET-ZERO GHG EMISSIONS

Welcome to **Edition 41** of P_2N_0 covering the drive to avoid, reduce and remove greenhouse gas (**GHG**) emissions to progress to net-zero GHG emissions (**NZE**).

P_2N_0 covers significant news items globally, reporting on them in short form, focusing on policy settings and legal and regulatory, and project developments and trends. P_2N_0 does not cover news items about M&A activity or that are negative.

This **Edition 41** covers significant news items from **January 1, 2026**, to **January 31, 2026**.

Access all previous editions of P_2N_0 at bakerbotts.com.

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KEY ITEMS ARISING FROM JANUARY 1, 2026, TO JANUARY 31, 2026

The following are the key news headlines during January 2026:

- **2025 third hottest year on record**: As the facts and statistics flowed following the end of calendar year 2025, the **World Meteorological Organisation** (**WMO**) stated that 2025 continued the three-year trend of "extraordinary global temperatures" with surface air temperatures averaging 1.48°C above preindustrial levels. If this trend continues, global average temperatures will reach 1.5°C by 2030[1]. There would appear to be a growing consensus that the 1.5°C objective will be overshot, and given this, that we need to consider how best to mitigate and to adapt to the consequences of the overshoot.

  On **January 26, 2026**, **nature** (at https://www.nature.com, under As we breach 1.5 °C, we must replace temperature limits with clean-energy targets) published an article that makes the telling point that "**actionable goals are needed to guide the world towards what needs to happen most quickly: shifting economies to clean energy sources**".

  While the development and deployment of renewable electrical energy and nuclear energy is occurring at a pace, allowing some countries to progress to net-zero, if one accepts the facts and statistics and the science, the rate of development and deployment needs to increase across all countries.

[1] **By way of reminder**, **Article 2.1(a)** of the **Paris Agreement** provides for "Holding the increase in the global average temperatures to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C …".

As noted previously, what needs to be done is known. The challenge, as pointed out by Bill Gates a little before COP-30 is balancing the cost of what needs to be done with other calls on finite funding.

- **Coal-fired generation falls in China and India year-on-year**: For the first time since 1973, there was a fall in the electrical energy generated from coal-fired sources year-on-year: less electrical energy was generated from coal-fired power plants in 2025 than in 2024. **Carbon Brief** reported that electrical energy generated from coal fired power plants in China fell by 1.6% and in India by 3%.

  China and India continue to make progress to net zero. In 2025, China installed around 435 GW of renewable energy capacity, 315 GW of PV solar and 119 GW of wind power[2]. India installed around 35 GW of PV solar and 6 GW of wind power, and 3.5 GW of hydroelectric power. While coal-fired power generation fell year-on-year, nevertheless China installed 95 GW of capacity.

  It is hoped that China and India have now reached peak use of coal-fired power plants to generate electrical energy.

- **EU continues energy transition**: On **January 22, 2026, Ember** reported that "**2025 was another Record-breaking year for EU energy transition**", with photovoltaic solar and wind overtaking "fossil fuels in the EU energy mix" across the EU. In 14 out of the 27 Member States, photovoltaic solar and wind exceeded dispatch of electrical energy of fossil fuels in the electrical energy generation mix.

- **BloombergNEF: Energy Transition Investment Trends:** During **January 2026, BloombergNEF** published its Energy Transition Investment Trends – Tracking global investment in low-carbon transition, in both long-form and abridged form. The headline from the publication is that during 2025 there was **USD 2.3 trillion** of global energy transition investment.

  As is often the case, it is worth reading beyond the headline of the **USD 2.3 trillion**:

  - "**USD 893 billion** spent to purchase electric vehicles … and developing infrastructure in 2025, up 21% [from 2024]";
  - **USD 690 billion** committed to the development of new renewable energy generation capacity and related infrastructure, **USD 84 billion committed to electrified heat, USD 71 billion committed to energy storage**, **USD 36 billion** and **USD 34 billon** committed to clean industry, in total **USD 915 billion**; and
  - **USD 438** billion committed to the development of electrical energy grids.

  These are the key areas of investment, and they are related. In comparison, the amounts committed to CCS at **USD 6.6 billion** and Hydrogen at **USD 7.3 billion**, tend to indicate the assessment that renewable energy development and complementary investment offers the best investment as things stood during 2025.

- **AI Energy Consumption:** One of the themes of the last 18 to 24 months has been the increased demand for electrical energy to power data centers in the context of the ever-increasing need for processing and storage of data.

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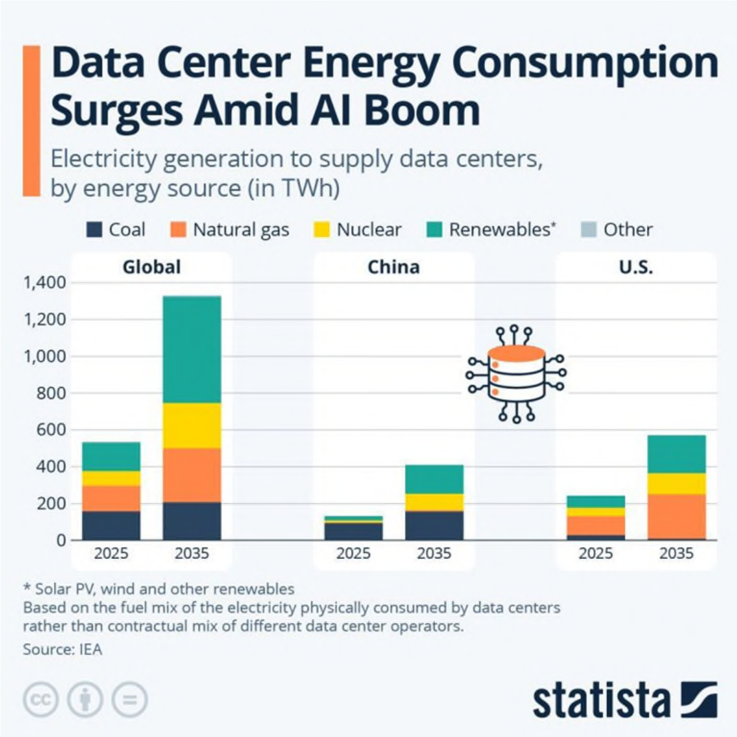
[2] With capacity to generate demand for electrical energy in the US State of Texas.

Statista, borrowing from the **International Energy Agency** (IEA), have published the following bar chart to provide a sense of the demand for electrical energy for data centers in 2025, and the estimated demand in 2035. The bar chart covers global, China and US demand.



- **EIA AI idea:** On **January 21, 2026**, the US **Energy Information Administration** (EIA) released an article entitled **Air power: Tallying electricity generating potential from retired military aircraft**. The **EIA** article estimates that turbine-based engines (other than turbojets) on retired military aircraft have the capacity to generate up to 40 GW: it is important to note that this is a theoretical estimate, not a state of immediately available capacity.
- **AI regulation**: AI is giving rise to increased electrical energy demand. Also, the use of AI is getting increased attention from government to regulate the use of AI (including content arising from it).

  On **January 22, 2026**, an AI law came into effect in South Korea. While the EU adopted regulation on AI in 2024 that regulation will not come into full effect until 2027. As such, South Korea is the first country globally to have introduced legislation to regulate AI through its **AI Basic Act**. The **AI Basic Act** is intended "to establish a safe and trust-based environment to support AI innovation".
- **Carbon Border Adjustment Mechanism** (CBAM) **came into effect on January 1, 2026**:

  During 2025, there was considerable coverage of the introduction on **CBAM** (positive and negative), and this continued throughout January 2026. What follows is a brief summary of **CBAM**.

  - **Origin of CBAM**: The **European Union** (EU) has long sought to avoid, reduce, and remove GHG emissions, with considerable success. One of the key reasons for this success is that the **EU** placed a price on carbon through the introduction of the **EU Emissions Trading Scheme** (ETS)[3]. The **EU ETS**, directly and indirectly, has promoted the adoption of lower, low and no GHG emission technologies.

The **EU** is concerned that the success that it has had is undermined by carbon leakage[4]; carbon leakage will lead to an increase in total global GHG emissions, and as such undermine the objective so the Paris Agreement[5].

To address the **EU**'s concerns (and as one of the climate change policies under "Fit for 55"), the **EU** introduced **CBAM**; the essence of **CBAM** is to ensure that there is equivalent carbon pricing for imports into the **EU** and domestic products produced within the **EU**. Implicit in the policy thinking informing the introduction of **CBAM** is that countries from which products are imported into the **EU** do not have equivalent carbon pricing.

- **Application of CBAM**: **CBAM** applies to the import of prescribed products, being aluminium, cement, electricity, fertilisers, hydrogen, and iron and steel. For the time being, fertilisers are exempt from the application of **CBAM**. If a production process gives rise to CO_2 that is captured and stored permanently, the captured and stored CO_2 emissions will not count for the purposes of reporting on the actual GHG emissions arising on the production of that product.
- **Achieving equivalent cost of carbon**: The importer of prescribed products must acquire **CBAM Certificates**, i.e., equivalent to the acquisition of emissions permits for liable entities under the **EU ETS**. Each **CBAM Certificate** represents one metric tonne of **CO_2-e** of embedded **GHG emissions** in the applicable prescribed product, arising from the production of that product.

The **EU CBAM** is the first Border Adjustment Mechanism to come into effect.

On **January 9, 2026**, **Halina Yermolenko** published an article entitled [2025 for carbon markets: new launches and plans](https://gmk.center/en/infographic/) (**at** https://gmk.center/en/infographic/) that considers the initiatives around the world to place on a price on carbon domestically and on imported products.

- **Incentivising use of Biofuels and Methanol**: From **January 1, 2026**, the **Yokohama Port and Harbor Bureau** is waiving port entry fees to the Port for vessels powered and propelled by biofuels and methanol. This is part of a broader plan to decarbonize activities at Yokohama Port, which itself is part of the initiatives to decarbonize Japanese society by 2050.
- **Adoption of ISSB standards continuing and CSRD and CSD settled**: As noted below, on **January 5, 2026**, **China** implemented **International Standard Board** (**ISSB**) IFRS S2. China is not alone, with a further 18

[3] The **EU ETS** requires each liable entity to surrender in respect of each year a number of emissions permits equal to the **GHG emissions** arising from activities of that liable entity during that year. Emissions permits are acquired either through the primary market under which emissions permits are auctioned or through the secondary market on which emissions permits are traded.

[4] **Carbon leakage** occurs if (for reasons of costs and expenses related to climate change policies), businesses transfer production to other countries or import from other countries that do not have climate change policies consistent with those of the EU, critically, a price on carbon.

[5] **By way of reminder**, **Article 2.1(a)** of the **Paris Agreement** provides for "Holding the increase in the global average temperatures to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C …".

countries having adopted standards[6]. There is a further 21 countries moving towards adoption of the standards. This marks continued progress.

- P_2N_0 reported on the **Corporate Sustainability Reporting Directive** (CSRD) and **Corporate Sustainability Due Diligence Directive** (CSDDD or CSD[3]) throughout 2025.
  - On **December 9, 2025**, the **Council** and the **European Parliament** reached agreement at a political level om the **Omnibus Simplification Package** (Omnibus I) in respect of **CSRD** and **CSD**[3]
  - On **December 16, 2025**, the **European Parliament** voted in favor of scaling back sustainability reporting and due diligence requirements (428 votes in favor, 218 against, with 17 abstentions).

  Omnibus I, through the **CSRD**, contemplates the revision of the **European Sustainability Reporting Standards** (ESRS). On **December 3, 2025**, the **EFRAG** published its revised technical advice (see Draft Simplified ESRS/EFRAG). The **EC** is able to adopt the **ESRS** as a delegated act having consulted, among others[7], with Member States. Subject to this consultation, and the outcome of it, it is expected that the **EC** will make a decision around adoption by the end of Q1 of 2026.

- **Offshore wind field industry alive and well after AR7**: One of the second-tier themes that has emerged over the last two years or so has been the challenges faced by the offshore wind industry globally.

  On **January 14, 2026**, the **Department for Energy Security and Net Zero** (DESNZ) announced the results of allocation round seven (**AR7**):

  - **8.2 GW** of **fixed-bottom offshore wind capacity** was awarded, with:
    - 6,885 GW at £91.20 MW/h around England and Wales;
    - 1,380 GW at and £89.49 MW/h around Scotland; and
  - **192.5 MW** of **floating offshore wind** at test and demonstration sites – Erebus (100 MW) and Pentland (92.5 MW).

  The **fixed-bottom wind field** developments are:

Awel y Mor – 775 MW – RWE	Berwick Bank – 1380 MW – SSE	Dogger Bank South East - 1500 MW – RWE and Masdar
Dogger Bank South West – 1500 MW – RWE and Masdar	Norfolk Vanguard East – 1545 MW – RWE	Norfolk Vanguard West – 1545 MW – RWE

  The **UK Government** is to provide support of up to £1.8 billion. This is double the **£900 million** of support earmarked for AR6.

  Ahead of the results, **PA Consulting** published **UK Offshore Wind: CfD AR7 Analysis**. The publication provides helpful factual and historical context of **AR7**.

[6] Australia, Bangladesh, Brazil, Chile, Ghana, Hong Kong SAR, Jordan, Kenya, Malaysia, Mexico, Nigeria, Pakistan, Sri Lanka, Chinese Taipei (Taiwan), Tanzania, Türkiye, the UK, and Zambia.
[7] Including the Accounting Regulatory Committee, and eight EU agencies and bodies, including the ECB, EBA and ESMA.

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- **The 2026 Energy Security Scenarios – Challenges to the transition:** During **January 2026 Shell** published The 2026 Energy Security Scenarios – Challenges to the transition. The publication takes stock of the last 20 years (including The Energy Security Scenarios published by it in March 2023), pausing to reflect at the end of 2025, and looks forward 15 and 20-years to 2040 and 2045.

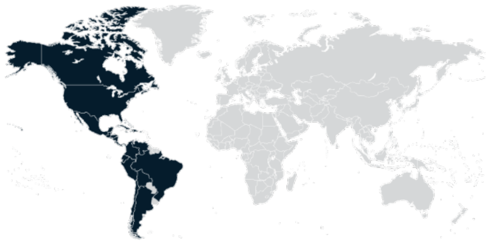
  In the context of pausing to reflect at the end of 2025, the publication reflects on, and author has picked out the key forward looking matter identified:

  - **Geopolitics, society, and technology**: Over the next 25 years about one third of the world's increasing population (about three billion people) will embrace higher income lifestyles, including taking their first flight and buying their first motor vehicle. Demand for energy will continue to increase as the world's population becomes increasingly urbanised and living standards rise. The generation of electrical energy will become less centralised and concentrated as the adoption of photovoltaic solar, wind, energy storage, and heat pumps technologies increases;
  - **Energy demand**: By 2050 the demand for primary energy could increase by up to a quarter compared to 2025. Demand for oil is likely to increase by 3 to 5 million barrels a day into the early 2030s, with a long slow decline after that time. Demand for natural gas will continue to increase, reaching 4,500 billion cm3 a year by 2040, of which up to 700 million metric tonnes will be LNG;
  - **The energy mix**: Electrification is set to increase across all sectors and all economies, and by the second half of the century will dominate the energy supply side, with natural gas and LNG remaining as an important industrial fuel, and oil required for petrochemical applications. By 2060, in the northern latitudes, at least two thirds of the demand for electrical energy will be matched by the supply of renewable electrical energy; and
  - **Carbon management**: Carbon capture and storage will become a multibillion tonne a year industry during the 21st century. The challenge is the need for a concerted effort to reduce the **GHG emissions** arising from agricultural, forestry and other land use.

- **Innovation Landscape for Sustainable Development Powered by Renewables:** On **January 10, 2026,** the **International Renewable Energy Agency** (**IRENA**) published Innovation Landscape for Sustainable Development Powered by Renewables. The publication notes that the technologies exist to decarbonize the generation of electrical energy and to provide universal access to electrical energy. While the publication in its entirety is well-worth a read, the executive summary is excellent, in particular the examples of innovations reshaping the supply of electrical energy across energy markets, with a focus on African markets.

- **China energy finance in emerging and developing economies**: On **December 22, 2026**, the **International Energy Agency** (**IEA**) published China's Official Energy Finance in Emerging and Developing Economies – Evolving Institutions, instruments and implications for clean energy transactions. The publication sets the scene as follows: capital flows remain uneven. **Emerging market and developing economies** (**EMDE**) outside China attracted just 27% of total energy investment and 18% of clean energy spending … ."

The publication outlines the trends in the provision of finance by the official financing sector[8] to fund the development of energy projects outside the country, providing case studies on projects in Uzbekistan, Peru, the Kingdom of Saudi Arabia, South Africa, Guyana, and Indonesia.



Americas

- **Microsoft obtains Data Center approvals**: On **January 26, 2026,** it was reported widely that **Microsoft** had obtained approvals for the development of 15 buildings to house new data center capacity, covering **1,148,000 square feet**. The new data center capacity will be located close to **Microsoft's** existing Data Center campus in Mount Pleasant, Wisconsin. As reported, the development of the new data center capacity has a value of **USD 13 billion**.

- **Microsoft commits to soil carbon credits**: On **January 15, 2026**, it was reported widely that Microsoft had agreed to acquire **2.85 million** carbon credits (over a 12-year period) from **Indigo Carbon**. As reported, the carbon credits will arise from the effects of regenerative agriculture in the US and have been priced within a range of USD 60 to 80 a carbon credit.

  By way of reminder: **Microsoft** is committed to being a negative GHG emissions corporation by 2030. With the agreements with **Indigo Carbon**, and an earlier agreement with **Agoro Carbon** (for 2.6 million carbon credits), **Microsoft** remains in pole position as the buyer of most carbon credits.

- **Meta signs agreements for the provision of nuclear energy**: On **January 9, 2026**, **world nuclear news** (at www.world-nuclear-news.org, under **Meta announces 'landmark' agreements for new nuclear**) reported that **Meta** had:

  - signed power purchase agreements with **Vistra Corp** for 2,176 MW of nuclear energy from existing plants, **Perry** and **Davis-Besse**, in the US State of Ohio;

  - signed funding support agreements with **TerraPower** to support the development of up to eight Natrium sodium fast reactors, **690** MW to be delivered **by 2032** and options in respect of the offtake of up to **2.1 GW** of nuclear energy **by 2035**; and

  - signed an agreement to pre-pay for energy so as to provide support to develop a **1.2 GW** power campus in Pike County, in the US State of Ohio.

- **US to withdraw from United Nations Framework Convention on Climate Change** (**UNFCCC**): On **January 7, 2026**, the **President of the US**, by Presidential Memorandum, indicated that the **US** would withdraw

[8] The **official financing sector** is a reference to state-owned or state-directed institutions that provide financing or investment outside China in support of national economic, industrial and diplomatic objectives of China, being in public ownership and having policy alignment.

from a number of United Nations' agencies and organizations, and conventions and treaties, including from the **UNFCCC**. Withdrawal from the **UNFCCC** requires notice of a year.

The announcement of the withdrawal of the **US** was accompanied the news that during 2025, year-on-year, **GHG emissions** in the US had increased: the increase is reported as around 140 million metric tonnes (or a 2.5%) increase from 2024. As reported, a fair proportion of this increase has resulted from increased demand for electrical energy to power data centers and cold weather.

- **McDermitt Caldera attracts attention**: On **January 6, 2026**, **earth.com** (under www.earth.com, under Lithium deposit valued at $1.5 trillion has been discovered in the US) reported on the **McDermitt Caldera** lithium resource in the **US State of Oregon** close to the border with the US State of Nevada. While P_2N_0 has covered the **McDermitt Caldera** resource, the reporting from **earth.com** provides us with a reminder of the scale of the resource – between **20 and 40 million metric tonnes of lithium**. It is understood that the resource is a claystone deposit.

  By way of reminder: **Edition 29** of P_2N_0, under **McDermitt Caldera contains World's Largest Lithium Deposit** reported that: "On **April 7, 2025**, **indiandefencereview** (at indiandefencereview.com, under Geologists Uncover the World's "Largest Lithium Deposit" Under American Supervolcano Worth 413 Billion Euros) reported on an article published in the journal Science Advances identifying lithium (and other) resources in the **McDermitt Caldera**. As reported, the **McDermitt Caldera** has "lithium-bearing clay minerals, including smectite and illite", with an exceptional concentration of lithium found in the illite layer".

- **Samsung breaks ground on Wabash Low-Carbon Ammonia Plant**: On **January 6, 2026**, it was reported that **Samsung E&A** had commenced construction work on the development of **Wabash Valley Resources' Wabash Low-Carbon Ammonia Project in Terre Haute**, in the **US State of Indiana**. The Project involves the use of a coal-fired plant to produce **500,000 metric tonnes blue ammonia** annually, using coal as the feedstock to produce hydrogen, and then to combine that hydrogen with nitrogen. The CO_2 emissions arising will be captured and stored. Completion of construction is scheduled for 2029. The Project has received funding support from both U.S. and Korean governments.

- **Illinois proceeds quietly**: On **January 7, 2026**, the **Governor of the US State of Illinois** signed the **Public Act 104-0458** (referred to commonly as that **Clean and Reliable Grid Affordability Act**).

- **Beaumont Ammonia project commissioning:** On **January 2, 2026**, **Woodside Energy Limited** announced that commissioning had commenced at its **USD 2.35 billion Beaumont blue ammonia project** in the **US State of Texas**, and that blue ammonia is being produced during commissioning.

- **Chile 2050 Energy Transition Roadmap**: During **January 2026**, the **International Energy Agency** (**IEA**) published Chile 2050 Energy Transition Roadmap. As with other country orientated publications from the **IEA**, this publication is fascinating, providing a clear understanding of the demand for energy, energy consumption, and the power sector. For those interested in Chile, this is a must read.

- **Singapore carbon tax to increase**: During **January 2026** it was reported widely that the carbon tax in Singapore is to increase from **SD$25** a metric tonne of CO2-e to **SGD$45**.

Africa

- **US 1 billon investment in CDR projects**: On **January 30, 2026**, the **carbonherald** (at https://carbonherald.com, under The Miombo Restoration Alliance, Backed By Trafigura, To Invest Over $1B In Four CDR Projects) reported that the **Miombo Restoration Alliance** has picked the first four African carbon dioxide removal (**CDR**) projects to receive funding. As reported, the projects have a 40-year timeline, and **USD 1 billion** will be invested over that timeline.

- **Natural gas and LNG**: On **January 27, 2026**, the **International Gas Union** published a piece on LinkedIn analysing the increasing role that the production of natural gas and LNG may play domestically and globally. The article reminded us of the Gas for African Report 2025 published on **November 24, 2025**, which was published as COP-30 was still grabbing the headlines. Both the article and the report are well worth a read.

- **Germany and South Africa progressing retirement of coal-fired capacity**: On **January 23, 2026**, **Business Insider Africa** (at https://africa.businessinsider.com, under Germany to back Africa's richest country with €720 million move away from coal) reported that **Germany** and **South Africa** are in discussions which may lead to **Germany** providing up to **€720 million** in additional concessional funding support under the **Just Energy Transition Partnership** (**JETP**). This additional concessional funding would increase the funding provided by **Germany** under **JETP** to **€2.68 million**.

- **Egypt continues to commit to renewable energy**: On **January 11, 2025**, it was reported widely that a number of agreements had been signed to allow the continued develop of renewable energy capacity across Egypt, including with Scatec for the development **1.7 GW** of **PV solar** capacity and with **Sungrow** for the development of a battery manufacturing facility.

  By way of context: Egypt intends to generate 42% of its electrical energy needs from renewable sources by 2030.

- **Egypt and Israel hone-in on natural gas deal**: On **January 9, 2026**, **mees** (at https://www.mees.com, under Israel-Egypt Gas Deal: Not Over the Line Yet) provided an interesting perspective on the approval of the expansion of the **Leviathan Gas Project**. The finalization of the gas sale and purchase agreement is essential for a **positive final investment decision** (**FID**) to expand production capacity from around 1.45 billion cubic feet a day to 2.1 billion cubic feet a day.

Europe and the UK

- **Federal Germany Government to provide €349 million for e-SAF facility**: On **January 29, 2026**, **hydrogeninsight** (at https://www.hydrogeninsight.com, under Germany grants €349 of public funding to green hydrogen-based e-SAF project) reported that the **Federal German Government** had agreed to provide funding for the development of an **e-SAF facility** to be located in Schwedt. As reported, the funding will cover around **70% of the total development cost of the e-SAF facil**ity, with the facility to produce up to **30,000 metric tonnes of e-SAF a year**.
- **EU Taxonomy came into effect on January 28, 2026**: Having been published in the Official Journal on **January 8, 2026**, on **January 28, 2026**, the **EU Taxonomy** entered into effect. The **EU Taxonomy** provides the basis for reporting on economic activities in a clear and consistent way across the EU[9]. While the **EU Taxonomy** came into effect on **January 28, 2026**, financial undertakings may opt out of its use from January 1, 2026, to December 31, 2027. As a general statement, the **EU Taxonomy** may be regarded making reporting proportionate and simpler.
- **Heat arising from data center is uses to heat technological campus heating demand in Dublin**: On **January 27, 2026, cnbc** (at www.cnbc.com, under This university campus is heated by an AI data center. Your home could be next) reported that since 2023 the Technological University on Tallaght Campus, Dublin, Republic of Ireland, that is heated by waste heat from the nearby Amazon Web Services data center.
- **Air Liquide commissions cracking plant**: During the final week of **January 2026**, it was reported widely that **Air Liquide** had commissioned its ammonia to hydrogen cracking plant at the **Port of Antwerp-Bruges, Belgium**. It is understood that this is a world first: the cracking plant will allow ammonia imported into Europe, as a hydrogen carrier, to be cracked to derived hydrogen.
- The European Hydrogen policy landscape – **Extensive update to January 2025 report** was published on **January 28, 2026**. As the title suggests, the publication is an update of a report from 2025. For those interested in a light-touch analysis of policy settings across the **EU**, the publication is well-worth a read.
- **EU finalizes arrangements for six successful bidders in the second EHB[10] auction**: On **January 19, 2026**, the **EU** approved the contracts for the six successful bidders in the **second EHB auction**. Together, the

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[9] From a policy perspective the EU Taxonomy is intended to guide investment to economic activities most needed for decarbonization and the energy transition.

[10] The **European Hydrogen Bank** (**EHB**) is a means to develop a hydrogen value chain. The **EHB** is intended to provide support to the private sector as a result of which renewable hydrogen will be produced sooner than might otherwise have been the case.

six successful bidders will receive around **€271 million** in funding support. In parallel, Austria, Lithuania and Spain allocated up to **€836** million of funding.

The six successful bidders (in the second EHB auction) that have signed grant documentation are:

Successful Bidders						
Project	Developer	Country	Quantity bid	GHG avoided	Bid price	Bid capacity
Krostinestad PtX	Koppo Energia Oy	Finland	258,000 tonnes	1,763,000 tonnes	€0.33 per kg	200 MWe
H2CRI	Green Devco Energy	Spain	30,000 tonnes	204,000 tonnes	0.44 per kg	30 MWe
NOON	Iberdrola Clientes	Spain	161,000 tonnes	1,104,000 tonnes	0.84 per kg	120 MWe
GH2Move-VLC	Diverxia Infrastructure	Spain	2,000 tonnes	15,000 tonnes	0.85 per kg	5 MWe
RjukanH2	Norwegian Hydrogen	Norway	29,000 tonnes	201,000 tonnes	0.45 per kg	18.75 MWe
HammerfestH2	Green H AS	Norway	12,000 tonnes	80,000 tonnes	1.88 per kg	7.5 MWe

- **Germany gets green light to provide funding support for H2Global tender with Canada**: On **January 15, 2026**, it was reported widely that the **European Commission** had approved up to **€200 million** in **State Aid** from the **Federal German Government**. The funding is one half of the **€400 million** of funding, half from the **Federal German Government** (through **H2Global**) and half from the **Canadian Government**. As reported, the funding will provide funding to support the development of up to **300 MW** of renewable hydrogen production capacity in Canada. The development of the capacity in Canada represents a further step in the role of **H2Global** in the procurement of renewable hydrogen, a renewable fuel of non-biological origin (**RFNBO**).

- **Germany gets green light to provide funding support for new hydrogen ready gas-fired generating capacity**: On **January 14, 2026**, the **EU** approved, in principle, the provision of **State Aid** by the **Federal German Government** to progress the development of up to **12 GW** of **hydrogen-ready gas fired generating capacity**.

- **RED III RFNBO**: On **January 9, 2026**, **Spain** published revised draft legislation to provide for the use of renewable hydrogen (and fuels and feedstock derived from it) in the transport sector. The draft legislation mandates **RFNBO** usage targets to apply from 2028 to 2040 and in so doing provide demand side development.

- **UK Corporate Power Purchase Agreements call for evidence**: On **January 9, 2026**, the **UK Government** (Department for Business and Trade and Department for Energy Security & Net Zero) published an **Open call for evidence, Corporate Power Purchase Agreements**. The main thrust of the Open call for evidence is to consult and to understand how the market for **Corporate Power Purchase Agreements** can be developed to reduce the costs of electrical energy of industry across England, Scotland and Wales. The purpose of the **Open call for evidence** is welcome.

- **Capital Clean Energy Carriers** (CCEC) **takes delivery of world's largest CO_2 carrier**: On **January 6, 2026**, announced that it had taken delivery of the **22,000 m_3** new ship build from **HD Hyundai Mipo**.

  By way of reminder: **Edition 30** of P_2N_0 reported that: "On **April 16, 2025**, it was reported widely that the world's largest liquid carbon dioxide (**LCO_2**) carrier had been launched. As reported, the **LCO_2 carrier** has the capacity to carry **22,000** m^3 of LCO_2. The **LCO_2 carrier** is the first of four **LCO_2 carriers** (with a total cost of **USD 756 million**) ordered by the **Greek shipping company**, **Capital Clean Energy Carriers**, from **South Korean** shipbuilder, HD **Hyundai Mipo**.

- **Price of carbon scaling heights**: During **January 2026** the price of carbon in the **EU** (including **CBAM Certificates**) and the UK touched **€90** and **£70** respectively. It is expected, at least in the short term, that there will be volatility around pricing in the EU ETS and the UK ETS secondary markets.

- **Germany completes first 400km of pressurized hydrogen pipeline**: On **January 12, 2025**, it was reported widely that construction of the first **400km** of the hydrogen backbone for the transmission of hydrogen across **Germany** had been completed. While P_2N_0 does not cover negative news items, we should note that there has been considerable comment about the fact that, as yet, the **400km** of hydrogen backbone infrastructure does not have any meaningful supply and offtake commitments.

  On **January 30, 2026**, **Energinet** commenced its marketing process to sell capacity in the **Danish Hydrogen Backbone 1** (**DHB1**). **DHB1** will allow the transportation of hydrogen by pipeline from Denmark into Germany. It is understood that the marketing process will continue through 2026 on a first-come-first-served basis.

- **Natural gas and LNG supply within the EU**: During **2025** the **EU** imported **312.7 billion m^3** of natural gas, comprising natural gas hauled by pipeline (169.9 billion m^3) and LNG (143.1 billion m^3). Imports from Norway were 97.1 billion m^3 and from the US 82.9 billion m^3. As the **EU** moves to ceasing to take natural gas from Russia, it is to be expected that the **EU** will increase the import of LNG from the US.

- **Renewables take the lead in Germany**: On **January 1, 2026**, **Fraunhofer ICE** (at https://www.ise.fraunhofer.de, under German Public Electricity Generation in 2025: Wind and Solar Power Take the Lead For the First Time) reported that renewable electrical energy generation in Germany amounted to 55.9% the net demand for electrical energy by the public across the country.

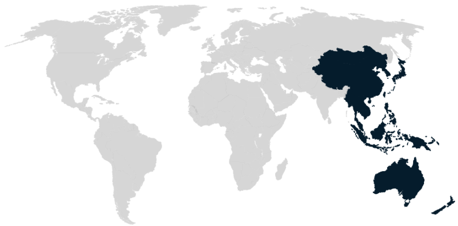
Middle East, Central Asia, and South Asia

- **Joint EU-India Comprehensive Strategic Agenda**: On **January 27, 2026**, the **European Commission** issued a statement - Towards 2030: A Joint European Union-India Comprehensive Agenda. The statement provides a high-level summary of initiatives relating to the **Strengthening supply chains and economic security** and **Advancing the clean transition and resilience**. In addition, there are more general agreements around cooperation to implement the **Paris Agreement** and to work towards the **Kunming-Montreal Global Diversity Framework**.

- **World Bank approves Regional Market Interconnectivity and Trade (REMIT) Program**: On **January 22, 2026**, the Board of Executive Directors of the World Bank approved **REMIT**. **REMIT** will be implemented in three phases over a 10-year period and will achieve electrical energy connectivity across Central Asia.

- **Roadmaps for Aluminium and Cement Sector Decarbonisation**: During **January 2026**, the **Government of India**, **NITI Aayog**, published:
    - a **Roadmap for Aluminium Sector Decarbonisation**. The publication is timely, with the production of aluminium in India giving rise to up to 100 million metric tonnes of **CO_2-e GHG emissions** annually around 75% of these GHG emissions arise from the use of electrical energy (at smelters) generated from coal-fired power stations. As such, the key issue for the aluminium sector is increasing the use of electrical energy generated from renewable sources and nuclear power. The publication provides a roadmap for this; and
    - a **Roadmap for Cement Sector Decarbonisation**. The publication places cement production in India in a global context – India is the world's second-largest cement producer and contributes around 7% of the **GHG emissions** arising in India. As those familiar with the cement sector will know, around 55% of **GHG emissions** in cement production arises from the calcination of limestone (one metric tonne of cement giving rise to one metric tonne of CO_2), 33% from the use of fossil fuels to provide high-heat, and 12% arise from the use of fossil fuels to generate electrical energy. The roadmap outlines the use of refuse-derived fuel (derived from municipal solid waste), replacing limestone as a feedstock, and CCS. The effective implementation of the roadmap is estimated as likely to reduce **GHG emissions** by up to 85%.
- **The Cost of Green Hydrogen in Saudi Arabia and Germany**: During **January 2026**, **Kapsarc** (at https://apps.kapsarc.org) published an analysis of the cost of green hydrogen production in **Saudia Arabia** for export to Germany. The publication covers photovoltaic and concentrated solar and wind and BESS, production technologies (including electrolyser types) and transport and export dynamics. The publication is well-worth reviewing, if only for the model.
- **AM Green Group and Uniper sign long-term offtake agreements for GNH_3 and breaks ground**:
    - On **January 12, 2026**, it was announced that **AM Green Ammonia India Private Limited** (**AM Green Ammonia**) had signed a long-term contract for the supply of **500,000 metric tonnes of green ammonia** a year to **Uniper Global Commodities SE** (**Uniper**). The green ammonia will be certified as a **Renewable Fuel of Non-Biological Origin** (**RFNBO**). As announced, the green ammonia will be sourced from green ammonia projects within the **AM Green Group**, with the first cargo expected as early as 2028 from the **AM Green Ammonia** 1 million metric tonnes a year plant located in **Kakinada**, in the **Indian State of Andhra Pradesh**.
    - On **January 19, 2026**, it was announced that **AM Green** had broken ground on its **1.5 million metric tonnes** a year at **Kakinada**, with first production of **500,000 metric tonnes** expected by mid-2027.

  By way of reminder: **Uniper** has been active across the US, Canada, Norway, and Oman in seeking to contract for green ammonia, with memoranda of understanding to offtake green ammonia. The agreement between **AM Green** and **Uniper** places it in the top 10 of ammonia offtake agreements (blue and green ammonia) signed to date.



APAC

- **CNPC injects 1 million tonnes of CO_2 into Xinjiang Oilfield:** On **January 29, 2026**, the **globaltimes** (at https://www.globaltimes.cn, under China's CNPC reports first one-million ton CO2 injection oilfield in Xinjiang region) reported that **China National Petroleum Corp** (CNPC) has injected more than **1 million metric tonnes of CO_2** into the **Xinjiang Oilfield** during 2025. As reported, more than **two million tonnes of CO_2** have been injected into the **Xinjiang Oilfield** since 2022. It is key to note that petroleum operations have continued at the same time as injection of CO_2 has taken place, i.e., this is not a standalone CCS project.
- **Digital Edge scopes data centre campus in Indonesia**: On **January 28, 2025**, **The Business Times** (at www.businesstimes.com.sg, under Singapore-based Digital Edge to build US$4.5 billion data centre campus in Indonesia) reported that **Digital Edge** (backed by Stonepeak Partners) intends to invest **USD4.5 billion** to develop one of the largest data centres in Indonesia, the **CGJ Campus, Bekasi**. As reported that data centre will provide **500 MW of capacity for an AI-ready hyperscale facility**.
- **Construction of Xuwei Nuclear Heating and Power Plant commences**: On **January 17, 2026**, **interesting engineering** (at **interestingengineering.com** under China starts building world's first hybrid nuclear plant for 33-million-ton industrial steam) reported that first concrete had been poured to develop the **Xuwei Nuclear Heating and Power Plant** in **Jiangsu Province**. As reported, the **Xuwei Nuclear Heating and Power Plant** is the world's first large-scale facility to couple the generation of electrical energy and heat using nuclear technology to produce petrochemicals. The facility is being developed by the **China National Nuclear Corporation** (CNNC).
- **Indonesia reclaims more than 4 million hectares**: On **January 14, 2026**, **Mongabay** (at news.mongabay.com, under Indonesia says 4 million hectares of plantation mining land reclaimed in crackdown) reported that the **Government of Indonesia** has reclaimed more than **4 million hectares** (or **9.9 million acres**) of land that were being used unlawfully for mining and plantation activities, including mining activities without approval for activities in forest-areas, palm oil plantation activities without forest-area permits, and unlawful gold mining. The reclamation and enforcement have been undertaken under the authority provided by **Presidential Decree No.5 2025**, issued on **January 21, 2025**.
- **Thailand bamboo solution**: On **January 14, 2026**, **click petroleoegas** (at **en.clickpetroleogas.com**, under Thailand installs kilometres of bamboo barriers, reduces waves by up to 70% and recreates mangrove forests to hold back the advancing sea and recover coastal areas) reported that Thailand uses bamboo barriers that reduce waves by up to 70% and in so doing allow the recreation of mangrove forests, curbing coastal erosion with a simple, inexpensive, and ecologically sound solution.
- **Australia to establish strategic reserve for critical mineral supply**: On **January 12, 2026**, the **Federal Government of Australia** announced that it would establish an **AUD 1.2 billion Critical Minerals Strategic**

Reserve. The **Reserve** is intended to ensure that Australia has sufficient reserves of **CM_3**[11] and **REE**[12] to benefit the economy of Australia and to ensure national security: the **Reserve** will be funded to purchase **CM_3** and **REE**, which will be stockpiled, and then sold as needed. It is understood that among the first **CM_3s** to be purchased and stockpiled will be **antimony**, **gallium** and **REE**.

On Monday **January 19, 2025**, the **Federal Treasurer of Australia**, Mr Jim Chalmers, attended a meeting of **G7 finance ministers** to discuss international cooperation in developing reliable supply chains for **CM_3** and **REE.**

In addition to Australia, **India** attended the **G7 finance ministers** meeting. The development of BESS projects in India to the scale planned (208 GWh of BESS capacity by 2030), provides a sense of the need to continue to develop, and to expand and to diversify, reliable supply chains.

To provide context to this activity, the **World Economic Forum**, working with **Kearney**, published From Minerals to Megawatts: Building Resilient Supply Chains. The publication considers the sources and uses of **19 CM_3** and **REEs**, and the risks that arise across three **CM_3** and **REEs** intensive **value chains**, **Data Centres**, **EVs** and **Power Grids**.

Finally, on **January 27, 2026**, the **IEA** published Designing an effective strategic stockpiling system for critical minerals. The publication provides a helpful overview of the drivers for the establishment of stockpiling of CM_3 and REE.

- **China activates first 1 GWh supercapacitor-energy storage project**: On **January 9, 2026**, **pv magazine** (at https://www.pv-magazine.com, under China's switches on world's first GWh-scale supercapacitor energy storage) reported that the **China National Nuclear Corporation's** (**CNNC**) **supercapacitor-based hybrid energy storage system** (**SBHESS**), known as the **Jiayuguan NingShang 500 MW / 1 GWh project**, had connected to the transmission grid in northwest China on December 30, 2025. As reported, the **SBHESS**, has a hybrid configuration combining **475 MW / 1 GWh** of **lithium iron phosphate batteries** with a **25 MW supercapacitor system** capable of discharge within 60 seconds.
- **SMR completes non-nuclear steam start up in China**: On **January 8, 2026**, **world nuclear news** (at www.world-nuclear-news.org, under Chinese SMR completes non-nuclear steam start up test) reported that a **small nuclear reactor** (**SMR**), an **ACP100 SMR**, has passed its non-nuclear turbine test run at the first attempt. The **ACP100 SMR** is part of a demonstration project in **Hainan** province. **CNNC** announced: "As the world's first commercial land-based small modular reactor … the trial achieved stable operation across all systems, with the steam turbine generator unit meeting all designated parameters."

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[11] **CM_3** are: **1.** Bauxite, High Purity Alumina, and Aluminum; **2.** Antimony; **3.** Beryllium; **4.** Bismuth; **5.** Cobalt; **6.** Copper; **7.** Gallium; **8.** Germanium; **9.** Graphite; **10.** Indium; **11.** Lithium; **12.** Magnesium; **13.** Manganese; **14.** Nickel; **15.** Niobium; **16.** Platinum metals; **17.** Rare Earths Elements (**REEs**); **18.** Silicon and Silicon metals; **19.** Tantalum; **20.** Titanium and Titanium metal; **21.** Tungsten; **22.** Uranium; and, **23.** Vanadium.

[12] **REEs** are: **1.** Cerium (Ce); **2.** Dysprosium (Dy); **3.** Erbium (Er); **4.** Europium (Eu); **5.** Gadolinium (Gd); **6.** Holmium (Ho); **7.** Lanthanum (La); **8.** Lutetium (Lu); **9.** Neodymium (Nd); **10.** Praseodymium (Pr); **11.** Promethium (Pm); **12.** Samarium (Sm); **13.** Scandium (Sc); **14.** Terbium (Tb); **15.** Thulium (Tm); **16.** Ytterbium (Yb); and **17.** Yttrium (Y).

- **Australia records record renewable energy dispatch**: Over **January 7, 8** and **9, 2026**, dispatch of electrical energy from renewable energy generation reached the 1st, 2nd, and 4th highest demand peaks across the National Electricity Market (**NEM**). On each of these days, renewable electrical energy dispatch matched over 60% of peak demand across the **NEM**.
- **KHI to build largest LH_2 carrier**: On **January 6, 2026**, it was reported widely that **Kawasaki Heavy Industries** (**KHI**) had agreed with **Japan Suiso Energy** (**JSE**) to build the world's largest liquefied hydrogen (**LH_2**) carrier. The **LH_2** carrier will be able to carry **40,000 m_3** of **LH_2**. **KHI** built the **Suiso Frontier** (able to carry 1,250 m^3 of **LH_2**) which carried liquified brown hydrogen from Australia to Japan in early 2022 and developed a design for a 40,000 m^3 containment system. Funding support for the development of the LH_2 carrier is to be provide by the **Green Innovation Fund**.
- **Japan to incentivise use of clean power**: On **January 5, 2026**, **carbon credits** (at https://carboncredits.com, under Japan to Invest US$1.34B on Clean Power to Spur Energy Transition) reported that the **Government of Japan** will provide subsidies to corporations that commit to the use of **clean power**. As reported, to be eligible corporations must commit to use 100% decarbonized electrical energy, and the subsidies may cover up to 50% of capital costs incurred by corporations. The funding for the incentivisation will come from the **Green Transformation** (**GX**) **2040 Vision initiative**.
- **Baosteel integrates DRI facility with its Zhanjiang steel mill**: On **January 5, 2025**, it was announced that the **Baosteel Zhanjiang Iron & Steel** had integrated its **direct reduced iron** (**DRI**) plant into the rest of its **Zhanjiang steel mill** in **Guangdong province**. The **DRI plant** was developed during 2024, using Energiron Zero Reformer technology developed by Danieli and Tenova. As described, the technology reduces CO_2 emissions using hydrogen to capture carbon, and as such will provide a "near-zero carbon" production line.
- **China Corporate Climate Reporting Standard:** On **January 5, 2026**, **China** implemented International Standard Board IFRS S2.

HELPFUL PUBLICATIONS AND DATA BASES

In addition to publications covered by this edition of **P_2N_0**, the most noteworthy publications read by the author during the period from **January 1, 2026**, to **January 31, 2026**, are:

- During **January 2026**, the **Massachusetts Institute of Technology** (**MIT**) published its 2025 Global Change Outlook. The publication provides a stark analysis of the current and projected climate change challenges.
- During **January 2026**, the **International Renewable Energy Agency** (**IRENA**) published:
  - Renewable Energy Auctions – Design Risk Allocation, which outlines the **IRENA renewable energy auction design framework**;
  - Fostering A Just Energy Transition – A framework for policy design, which provides the perspective of **IRENA** as to that which is required for a just energy transition, which informs the framework propounded for effective policy design;
  - Innovation Landscape for Sustainable Development Powered by Renewables, which provides guidance (in the form of toolkits) in respect of innovation to modernise grids, including to improve

resilience and how to decentralise grid resilience, and how to accelerate access to grids for renewable electrical energy, and how to deploy local resources for these purposes.

- **The Role of Gas in Powering AI-Driven Energy Demand**: On **January 15, 2026**, the **IGU** (at https://www.igu.org, under The Role of Gas in Powering AI-Driven Energy Demand) published its assessment of the role of natural gas in generating electrical energy for data centres as the **artificial intelligence** (AI) **economy develops**. The publication provides a balanced and clear-eyed perspective.
- **The Value of Demand Flexibility**: On **December 23, 2025**, the **International Energy Agency** (IEA) published The Value of Demand Flexibility. The publication provides a clear guide to the value of demand side management to ensure the efficient operation of electrical energy transmission and distribution systems.
- During **January 2026**, **Carbon Market Watch** published Carbon Pricing Done Right – Key elements for fair and effective emission trading systems that work for people and climate. The publication provides a helpful summary of the benefits and the means of implementing a price on carbon.

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* Michael Harrison is the primary author of P_2N_0, and editor. Any error is Michael's. P_2N_0 is written early each Saturday morning. In writing P_2N_0, Michael sources from original material. If a news item is covered broadly, the words **reported widely** connote that at least three sources have covered that news item, and **reported** connotes at least two sources. If there is only one source that is not the original material, that source is named.

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