TOP STORIES

**BBC World Service** – Newsday interview with James Leaton.
Good interview: From 11’45”  minutes in to 15’30” – focusing on disruption from new technologies.
<http://www.bbc.co.uk/programmes/p0358734>

**International Business Times** (global)
Are energy companies leading shareholders astray on future fossil fuel demand?
<http://www.ibtimes.com/are-energy-companies-leading-shareholders-astray-future-fossil-fuel-demand-2151327>

**The Guardian**

Are fossil fuel companies talking up demand?

<http://www.theguardian.com/environment/2015/oct/23/are-fossil-fuel-companies-using-iea-reports-to-talk-up-demand>

**Scotsman** (UK)
Fossil fuel sector ignoring threats to demand, report finds.
<http://www.scotsman.com/business/energy/fossil-fuel-sector-ignoring-threats-to-demand-report-finds-1-3924064>

**Business Spectator– Australian Business Review**  (Aus)
The nine energy demand destruction risks being ignored
<http://www.businessspectator.com.au/article/2015/10/22/energy-markets/nine-energy-demand-destruction-risks-being-ignored>

**Sydney Morning Herald**

BHP, RIO, SHELL FORECASTS QUESTIONED BY CARBON TRACKE

 [http://m.smh.com.au/business/energy/bhp-billiton-rio-tinto-shell-forecasts-questioned-by-carbon-tracker-20151019-              gkdarm.html](http://m.smh.com.au/business/energy/bhp-billiton-rio-tinto-shell-forecasts-questioned-by-carbon-tracker-20151019-gkdarm.html)

**The Age** (Aus)
Investors told to query fossil fuel forecasts
PressReader - The Age - Investors told to query fossil fuel forecasts<<http://www.pressreader.com/australia/the-age/20151022/282613146631229/TextView>>

**Renew Economy** (Aus)
Fossil Fuel giants still betting trillions on nothing changing (Top billing apparently on site)
<http://reneweconomy.com.au/2015/fossil-fuel-giants-still-betting-trillions-on-nothing-changing-71781>

**Toronto Star**
Big energy inflates future fossil fuel demand
<http://www.thestar.com/business/2015/10/21/big-energy-inflates-future-fossil-fuel-demand.html>

**Vancouver Observer**

Fossil fuels bite dust as demand nosedives

<http://www.vancouverobserver.com/news/fossil-fuels-bite-dust-demand-nosedives>

**National Observer**

Fossil fuel industry could be blindsided by falling global demand: report

<http://www.nationalobserver.com/2015/10/23/news/fossil-fuel-industry-could-be-blindsided-falling-global-demand-report>

**Our Windsor**  (Canada) -
Big energy inflates fossil fuel demand.
<http://www.ourwindsor.ca/news-story/5972159-big-energy-inflates-future-fossil-fuel-demand/>

**BABW News** – Are energy companies lying about fossil fuel demand?
<http://www.babwnews.com/2015/10/are-energy-companies-lying-about-future-fossil-fuel-demand/>

**Business Green**
Fossil fuel sector accused of  “cherry picking” forecasts for future demand
<http://www.businessgreen.com/bg/news/2431456/fossil-fuel-sector-accused-of-cherry-picking-forecasts-for-future-demand>

**RTCC (Climate Home)**
Fossil fuel majors accused of ignoring potential demand crash
<http://www.climatechangenews.com/2015/10/22/fossil-fuel-majors-accused-of-ignoring-potential-demand-crash/>

**Blue and Green Tomorrow** – Fossil fuel sector in denial over demand destruction. 22/10/15
<http://blueandgreentomorrow.com/2015/10/22/report-fossil-fuel-sector-in-denial-over-demand-destruction/>

**City AM**
Fossil Fuel firms could be misleading shareholders over forecasts
<http://www.cityam.com/227029/fossil-fuel-firms-could-be-misleading-shareholders-over-forecasts-for-oil-and-gas-demand-carbon-tracker>

**Cleantechnica**
No more business as usual for fossil fuel sector
<http://cleantechnica.com/2015/10/22/no-business-as-usual-fossil-fuel-sector/>

**Climatewire**
New study suggests fossil fuel sector demand is beginning to nosedive
<http://www.eenews.net/stories/1060026742>

**PLATTS**
Fossil fuel companies ignoring threats to demand: think-tank
London (Platts)--22Oct2015/1043 am EDT/1443 GMT

    \* Industry using optimistic forecasts for GDP, population
    \* Renewables growth underestimated by IEA
    \* EVs to impact oil demand in road transport sector

    Future demand for fossil fuels could be lower than industry has assumed,
according to UK-based financial think-tank Carbon Tracker Initiative.
    Rapid advances in technology, increasingly cheap renewable energy,
slower-than-expected economic growth and lower than expected population rise
could combine to dampen fossil fuel demand significantly by 2040, the group
said in a report Thursday.
    The report -- "Lost in transition: How the energy sector is missing
potential demand destruction" -- challenges nine business as usual assumptions
made by the big energy companies when calculating that fossil fuel use will
continue to grow for the next few decades.
    "Typical industry scenarios see coal, oil and gas use growing 30% to 50%
and still making up 75% of the energy supply mix in 2040. These scenarios do
not reflect the huge potential for reducing fossil fuel demand in accordance
with decarbonization pathways," Carbon Tracker said in the report.
    "The analysis shows how the industry is assuming very slow incremental
changes in the energy supply mix going forward. This ignores the potential
downside risk explored in the research," it said.
    "Across all factors contributing to energy demand, there is scope for
reducing future emissions levels and staying within the 2 degrees C
threshold," it said.
    "This includes considering different fundamental market conditions
relating to population rise and GDP growth as well as more obvious advances in
energy efficiency and clean technology," it said.
    The report is timely, coming ahead of UN climate talks in Paris starting
November 30, where almost 200 countries have agreed to strike a climate
protection agreement with legal force to take effect in 2020.
    More than 150 countries have already submitted their national emissions
reduction plans to the UN, covering almost 90% of global greenhouse gas
emissions.
    This is significant for the energy markets because material reductions in
emissions are considered necessary to stay within an internationally agreed
target to limit global warming to below 2 degrees C above pre-industrial
levels.
    The report's key findings are that:
    - The global population may not rise to 9 billion by 2040 as predicted,
but a lower 8.3 billion, according to modeling.
    - GDP growth could be lower than expected. For example, the OECD sees
global GDP at 3.1% per year to 2040, rather than the 3.4% assumed by the
International Energy Agency -- the key industry reference point.
    - The world is increasing its ability to decouple energy demand from
economic growth. Demand is drastically lower if global energy intensity of GDP
falls by 2.8% per year in line with the IEA's 450 (parts per million CO2)
Scenario instead of the 2.2% in its New Policy Scenario.
    - Industry assumptions about future carbon intensity are inconsistent
with decarbonization plans set out by 150 countries in their submissions to
the UN.
    The think-tank also said the IEA has been "hugely conservative" in the
past in its assessment of renewable energy growth and that the speed and scale
of advancements in the competitiveness of renewable energy technologies are
exceeding expectations.
    "The cost of energy (battery) storage is falling rapidly and is seven
years ahead of average forecasts made last year, meaning the technology could
be cost-competitive with power grids by 2025. The synergy between energy
storage and renewable energy technologies has the potential to transform
energy markets, but is not being factored into fossil fuel scenarios," it
said.
    Moreover, global coal demand is in structural decline, and China has
shifted its energy system to such a degree that peak coal demand could occur
in the very near term, it said.
    In addition, electric vehicles are likely to penetrate the road transport
sector more quickly than current assumptions suggest, it said.
    "Fossil fuel companies expect oil demand to grow between 0.4% and 0.8% a
year to 2040, much from the road transport sector, oil's biggest market, and
their scenarios see negligible take-up of EVs by 2040. However, regulations
requiring greater efficiency from combustion engine cars will hit oil demand
in the short term," it said.
   "Longer term, EV's could be cost-competitive with combustion engines by
2025, according to alternative forecasts, resulting in exponential growth," it
said.
    Under all its scenarios, demand for natural gas sees future growth.
    However, as energy markets change, the levels of gas demand will be lower
if the fuel loses its baseload role for power generation and switches to
playing a backup role for renewable energy sources, it said.
    This is already happening in Germany whereby highly efficient gas-fired
power units are sitting idle because of cheap coal coupled with
government-subsidized renewables and an EU carbon price that is too low to
prompt fuel switching in the power generating sector.
    Carbon Tracker Initiative's goal is to increase transparency in the
energy markets by enabling investors to make better-informed decisions linked
to carbon risk.
    The group has issued several reports since 2011 aimed at helping to
identify which investments in the fossil fuel industry are at risk of becoming
stranded under various price and policy scenarios.
--Frank Watson, frank.watson@platts.com<mailto:frank.watson@platts.com>
--Edited by James Leech, james.leech@platts.com<mailto:james.leech@platts.com>