



Future of Energy & Financial Institutions

The global shift in energy generation, supply, and demand entails technological, economic, and social changes to create a sustainable and reliable energy system. This involves modifying energy production, consumption, and infrastructure to reduce emissions, enhance efficiency, and improve security, while recalibrating the energy mix to include both fossil and non-fossil fuels.

Resources

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[Future of Energy Hub](#)

What's happening

Governments worldwide are enacting stricter environmental regulations and standards aimed at reducing carbon emissions and promoting sustainable energy practices. While traditional energy investments face increased volatility and potential devaluation as regulatory landscapes evolve, the energy transition presents growing opportunities in renewable energy projects, sustainable technology and infrastructure, and energy efficiency innovations – with increasing demand coming from the investment community. But there are also numerous risks involved with the regulatory and political landscape becoming increasingly complex. Through our Sustainable Finance & Investments practice, we are perfectly placed to help Financial Institutions adapt to the Future of Energy.

Emerging opportunities for Financial Institutions

- Financing a growing market of renewable and clean energy projects (eg solar, wind, hydro and nuclear); carbon capture projects and emissions/carbon trading schemes; and distribution networks (eg electricity grids).
- Sustainable financial instruments such as green and sustainability-linked bonds and loans are gaining traction, providing diverse investment options.
- Building on opportunities for blended finance structures (eg the UK's National Wealth Fund).

- Increasing opportunities in consumer finance (eg residential solar panels, EVs, home improvement loans) and real estate finance (eg green buildings).

Navigating risks

The energy transition brings risks and increased politicization, including the rise in litigation and greenwashing claims; new and emerging sustainability risk-related regulation; and an increasingly divergent regulatory landscape.

How we can help Financial Institutions

- Advising on their financings of energy transition projects, including green and sustainability-linked bonds and loans and decommissioning funds.
- Supporting their efforts to reduce the carbon intensity of their energy supply chain.
- Advising on the rapidly changing global regulatory environment, including on reporting and disclosure, transition planning, investment, and sustainability policies.
- Identifying, managing and mitigating climate business, litigation and reputational risks (including greenwashing and shareholder activism).
- Helping them navigate an increasingly politicized ESG landscape.
- Helping them embrace technological innovation, which lies at the heart of the energy transition.