WORLD ENERGY COUNCIL

WORLD ENERGY ISSUES MONITOR 2026

PRACTICING THE WORLD ENERGY TRILEMMA: ENERGY TRANSITIONS IN 2026

Image from Kevin Woblick (@kovah), Unsplash

ABOUT

WORLD ENERGY COUNCIL

The World Energy Council is the world's oldest independent and impartial community of energy leaders and practitioners. Through our Humanising Energy vision, we involve more people and communities in accelerating clean and just energy transitions in all world regions. Formed in 1923, the Council has convened diverse interests from across the full energy ecosystem for a century, and today has over 3,000 member organisations and a presence in nearly 100 countries. Our global network draws from governments, private and state corporations, academia and civil society, as well as current and future energy leaders. We effectively collaborate on impact programmes and inform local, regional and global energy agendas in support of our enduring mission: to promote the sustainable use and supply of energy for the benefit of all people.

Further details at www.worldenergy.org and on LinkedIn.
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WORLD ENERGY ISSUES MONITOR 2026

The World Energy Issues Monitor is a community-driven effort to refresh global common sense in energy. Each year it brings together the perspectives of energy leaders across regions, sectors, and generations to compare signals, surface blind spots, and guide more grounded action.

In this 16th iteration, more than 2,750 energy leaders across over 110 countries assessed the impact and uncertainty of key transition issues shaping today's operating environment.

The Issues Monitor does not prescribe pathways. It sharpens judgement. By illuminating pressure points and emerging bright spots, it supports leaders in holding security, affordability, and sustainability together as energy systems expand and transform.

World Energy Issues Monitor 2026, published by the World Energy Council.

EXECUTIVE SUMMARY

ENERGY TRANSITIONS

This World Energy Issues Monitor speaks directly to energy transitions, recognising that every country is pursuing its own transition pathway, shaped by its resource base, level of development, institutional capacity, policy choices, and social priorities. While all face the common challenge of balancing energy security, affordability, and environmental sustainability, each does so within a distinct set of opportunities and constraints.

Energy transitions rarely move in straight or predictable lines. They bend, stall, accelerate, and adapt. The **2026 World Energy Issues Monitor** captures a moment in world energy systems where momentum and strain coexist. The global system is expanding even as it transforms, shaped increasingly by geopolitical and environmental priorities rather than purely economic forces.

A MILESTONE YEAR FOR ENERGY TRANSITIONS

2025 marks a milestone moment – a decade since the Paris Agreement and five years from 2030. Some updated Nationally Determined Contributions (NDC 3.0) have been submitted, but collective ambition and implementation remain insufficient to support a 1.5 °C pathway, and progress towards UN Sustainable Development Goal 7 is significantly off–track.

Expectations around delivery credibility are rising. There is a growing focus on how transitions can be delivered under constraint rather than declared in ambition alone.

SYSTEMS UNDER STRAIN

Across regions, leaders describe energy systems that are changing at a faster pace than their current foundations can support. Energy transitions remain in motion, but are now increasingly shaped by tighter constraints. Geopolitics is weighing heavily on investment and cooperation. Demand pressures are broadening, with new demand centres emerging even as under-estimated energy deficits persist in many places. Visible strain within systems highlights the need for more deliberate pacing and sequencing.

ENERGY DEMAND GROWTH

History suggests that when structural drivers align, demand growth can persist for decades. Over the past century, energy expansion was not driven by a single force, but by the compounding effects of population growth, rising incomes, and successive waves of technology adoption. Efficiency gains did not eliminate growth. Today, industrialisation, electrification of end–use, mobility, urbanisation, digitalisation, and AI form a similarly compounding set of forces – reshaping electricity demand even where total primary energy growth moderates.

ENERGY IS THE OPERATING SYSTEM

In this expanding system context, energy is no longer a bounded sector. It now intersects directly with security, industry, finance, digital infrastructure and cities, expanding system boundaries across geographies and technologies. In this context, a supply-side mindset is no longer enough: demand is swiftly becoming one of the fastest–rising uncertainties and remains widely misunderstood.

2026 also marks a shift from pledge led momentum to Trilemma–tested delivery – linking security, affordability and sustainability in real time.

SHOCKS IN 2025

The operating environment was further shaped by the shocks and shifts of 2025 – from the U.S. initiating Paris withdrawal to OPEC+ output increases, from grid failures and rising energy price pressures in Europe

to contested outcomes at COP30 – shaped a year in which geopolitical tension and system constraints increasingly defined the operating environment.

SIGNALS EMERGING ACROSS REGIONS

- **Geopolitics has become the defining disruptor.** Peace and Stability topped the global list of uncertainties even prior to recent developments across the Middle East and Gulf States. Geopolitical pressure is reshaping investment signals and creating an atmosphere of continuous strain rather than occasional shocks.

- **Power System capacity – not ambition – is now setting the pace.** Leaders are increasingly focused on preventing systems overload, with grids, permitting, supply chains, and workforce capacity emerging as decisive constraints.

- **Power Demand is rising – and misread when reduced to the AI story.** Industrialisation, electrification of end–use, mobility, digitalisation, urbanisation and AI are reshaping demand in parallel. As in past eras of population growth, income expansion and technology adoption, multiple structural drivers are compounding rather than substituting for one another.

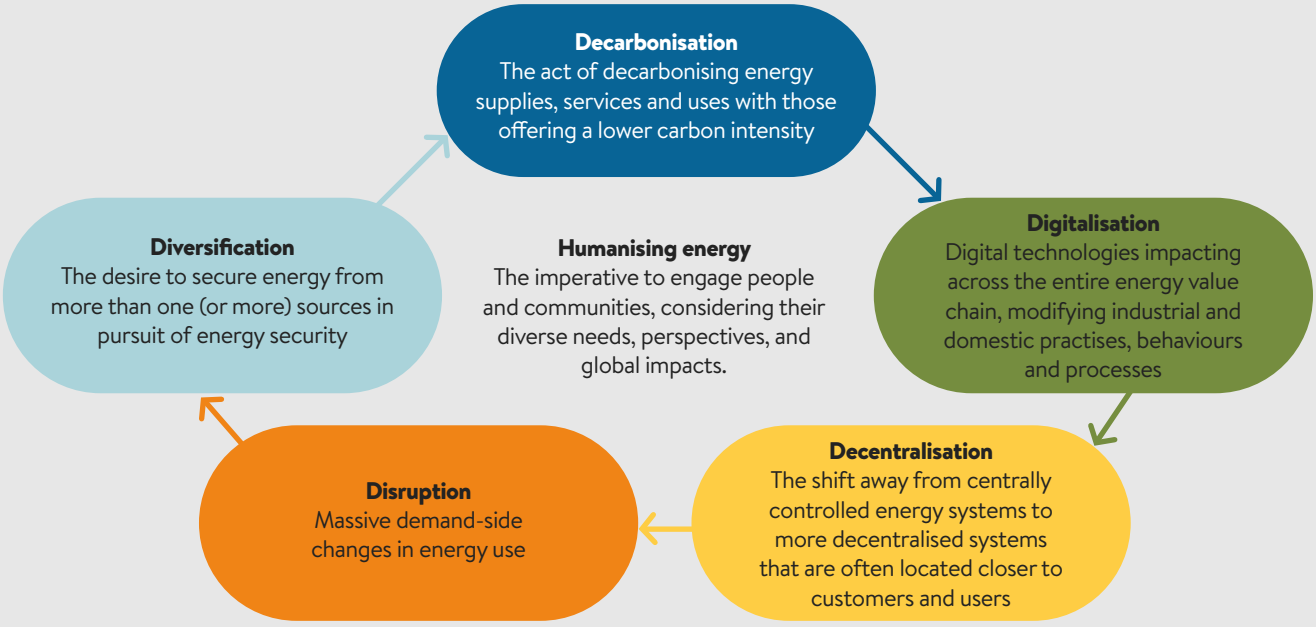
- **Resilience is being tested from within the system.** Congestion, curtailment, negative pricing, and interconnection limits highlight systems working harder to absorb the effects of rapid transformation.

- **Legitimacy is becoming a practical constraint.** Rising costs, unequal benefits, and geopolitical narratives are sharpening debates over who pays, who benefits, and where projects can move forward with confidence.

Together, these signals point to both the risk of transitions stalling and the potential for reversal where constraints and political pressures are at their most acute. Yet investment remains resilient in many markets; showing that even as pressures mount, costs rise, and learning curves advance so too does progress.

A RETURN TO THE 5DS – WITH A DIFFERENT CENTRE OF GRAVITY

The familiar 5Ds remain present, but the balance among them has changed. This year, **Disruption** – on both the supply and the demand side – provides the lens through which the others are interpreted. Geopolitical, climatic, societal, and infrastructural pressures are shaping how **Decarbonisation**, **Digitalisation**, **Decentralisation**, and **Diversification** unfold: accelerating some, slowing others, and creating uneven momentum across regions.



NAVIGATING FORWARD

Leaders are adjusting to a landscape where transitions must be paced with greater care. Sequencing, delivery discipline, and credible signalling are becoming more important, with affordability for households, businesses, and public finances kept firmly in view. Progress increasingly depends on the ability to keep systems coherent as pressures multiply. The task now is ensuring Trilemma-tested delivery – keeping security, affordability, and sustainability advancing together in real time. With many critical infrastructure investments now publicly driven, political influence is rising and public finances are tighter, adding further constraints that can slow delivery if not carefully managed.

A CALL TO ATTENTION, NOT JUST A CALL TO ACTION

The 2026 Issues Monitor does not predict outcomes. It highlights the patterns that matter: where pressure is building, where resilience is forming, and where the operating environment is changing fastest. These patterns invite leaders to focus on the conditions shaping transitions, the limits that must be managed, and the opportunities for connection that remain – even in a more contested world.

This Issues Monitor is designed not to mirror the prevailing debate, but to sharpen judgement for navigating a more constrained operating environment.

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