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# Inside the energy transition

## Executive summary:

Inside the energy transition is a landmark global analysis of investor and developer sentiment across the rapidly expanding low-carbon technology landscape. Drawing on responses from 964 active VC investors and technology developers worldwide, the study provides one of the clearest views yet of where capital is flowing, which technologies are gaining momentum, and how regulatory, infrastructure and market conditions are shaping decisions for the year ahead.

The data reveals a market at an inflection point: carbon capture and storage projects remain foundational, but diversification, especially into geothermal and tidal/ocean power is increasing, whilst renewables like solar and wind look set for a resurgence. Policy incentives and regulatory clarity remain critical for scale, and carbon-credit alignment is now seen as essential to reaching net zero targets. The data indicates a more mature global low-carbon ecosystem poised for rapid evolution in the year ahead.

## Methodology:

We partnered with Censuswide to survey a sample of 964 VC investors (525 from fund sizes: >$50,000,000 active in the low carbon space) and Developers (439 companies who have developed low carbon technologies). The data was collected between 12.02.2026-24.02.2026. Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct and ESOMAR principles. Censuswide is also a member of the British Polling Council.

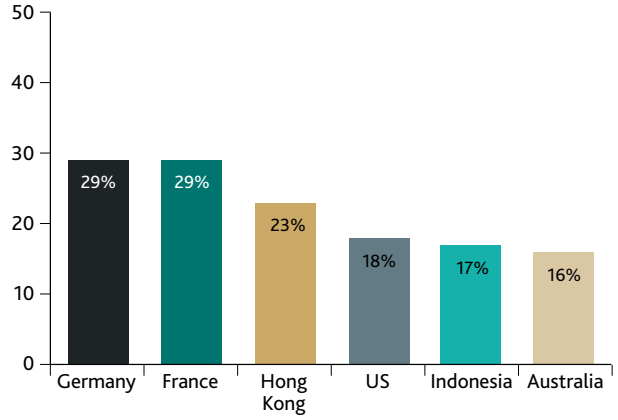
***Note on the data:*** *To build a focused view of appetite for CCS, we asked Censuswide to combine responses relating to carbon capture (both pre-combustion and post-combustion) with those on carbon storage (including on-site, subsea and onshore options). We then aggregated these datasets to provide a single, comprehensive picture of respondents investing in either carbon capture or storage.*

## 1. Market outlook

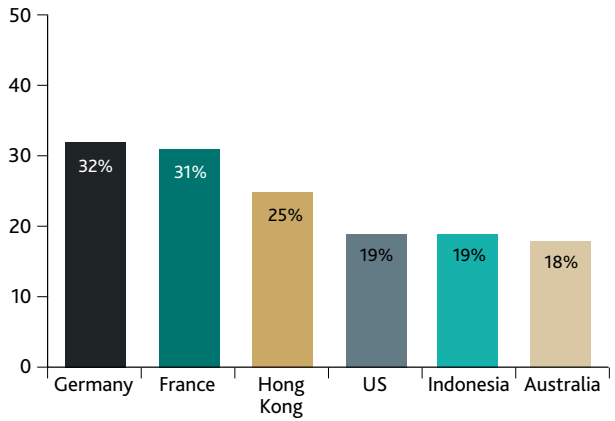
Europe remains the primary growth theatre, led by France and Germany for both investors and developers.

**Most popular geographies for expansion:**

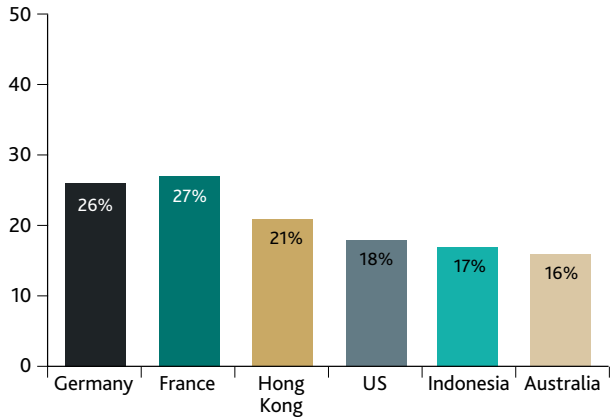
**Overall**




**Developers**




**Investors**



Further breaking down the data reveals that investors show stronger interest in Saudi Arabia (15%) and Qatar (13%) for the year ahead, nearly double that of developers (7% apiece).

Developers are notably more active in Vietnam (8% planning to expand activity there in next 12 months compared to 1% of investors).

Implication: Global expansion strategies between capital and project delivery are not always aligned.

***Note on the data:*** *Respondents were asked to select which countries they planned to expand their activity in the next 12 months: Germany, France, Hong Kong, US, Indonesia, Australia, UK, Ireland, UAE, Spain, Saudi Arabia, Malaysia, The Netherlands, Qatar, China, Singapore, South Africa, Thailand, Vietnam, Other (please specify).*

The data above looks at the entire respondent base, but further trends emerge around inward investment when we stripped out domestic selection.

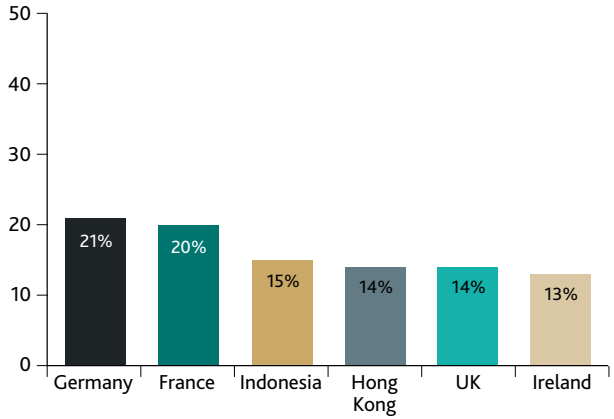
Unsurprisingly, this inclination towards domestic expansion is high, with 70% investors and 75% developers planning to increase domestic activity for the year ahead.

Removing this data gives us a clearer picture of inward investment and whilst France and Germany attract the most interest, the gap narrows between other countries, with Indonesia, Hong Kong and the UK all in close competition.

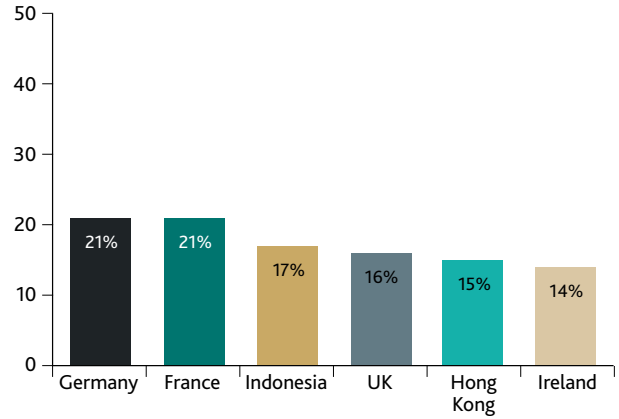
Implication: Global expansion strategies between capital and project delivery are not always aligned.

**Most popular geographies for inward investment;**

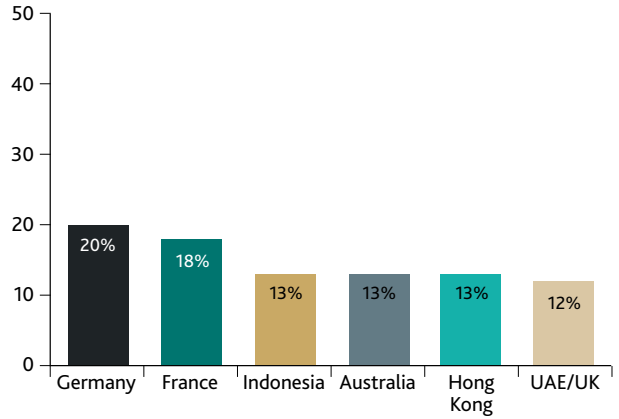
**Overall**




**Developers**




**Investors**



## 2. Technology deployment & investment intent

Carbon capture and storage (CCS) leads both current and projected deployment (90% invested in carbon capture OR storage last year and 78% said the same for next-12-months[1]).

Interestingly, appetite in the CCS space remains very high for early-stage companies to develop in this area- with 86% of pre-seed and seed stage companies planning to develop technology in this space.

Whilst current uptake is extremely high, the data also tell us that both investors and developers are looking to diversify their bets more in the year ahead.

Breaking down the data by investor fund size and developer series, more granular trends emerged. Early stage (pre-see/seed) developers were twice as likely to say they planned to develop carbon storage technology than carbon capture technology (61% versus 30%).

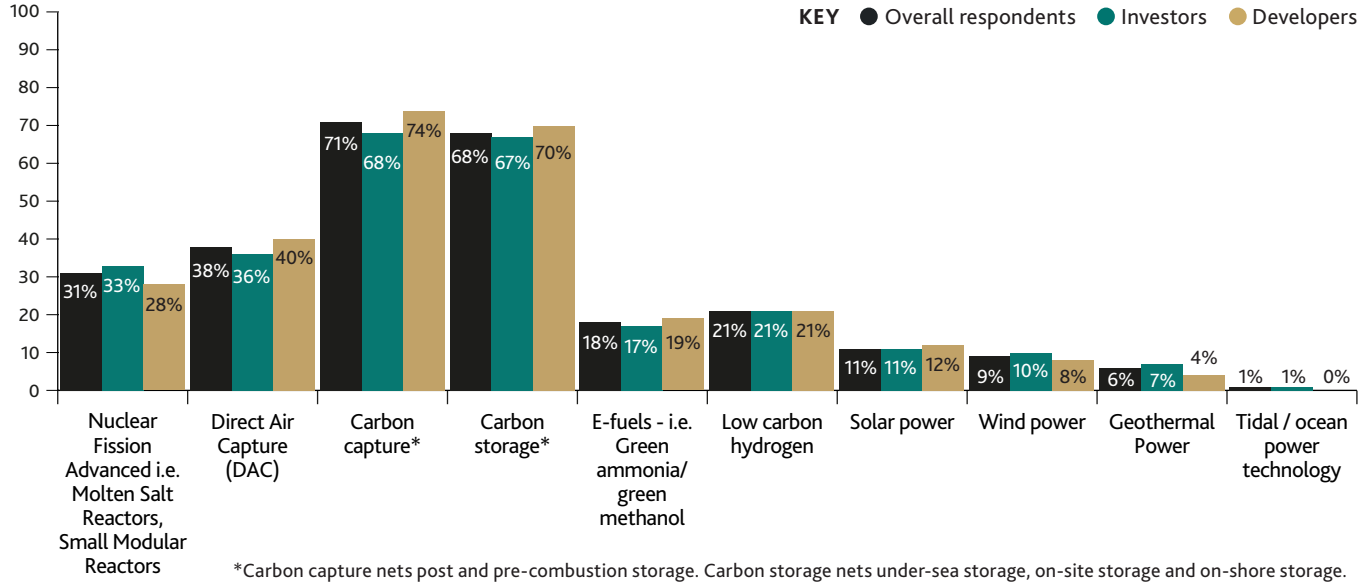
**Beneficiaries of the diversification agenda**

Low carbon hydrogen experienced a bounce, from 21% to 29% of respondents planning to invest or develop in the year ahead.

However, geothermal and wind/ tidal power are the greatest beneficiaries of the diversification agenda for the year ahead:

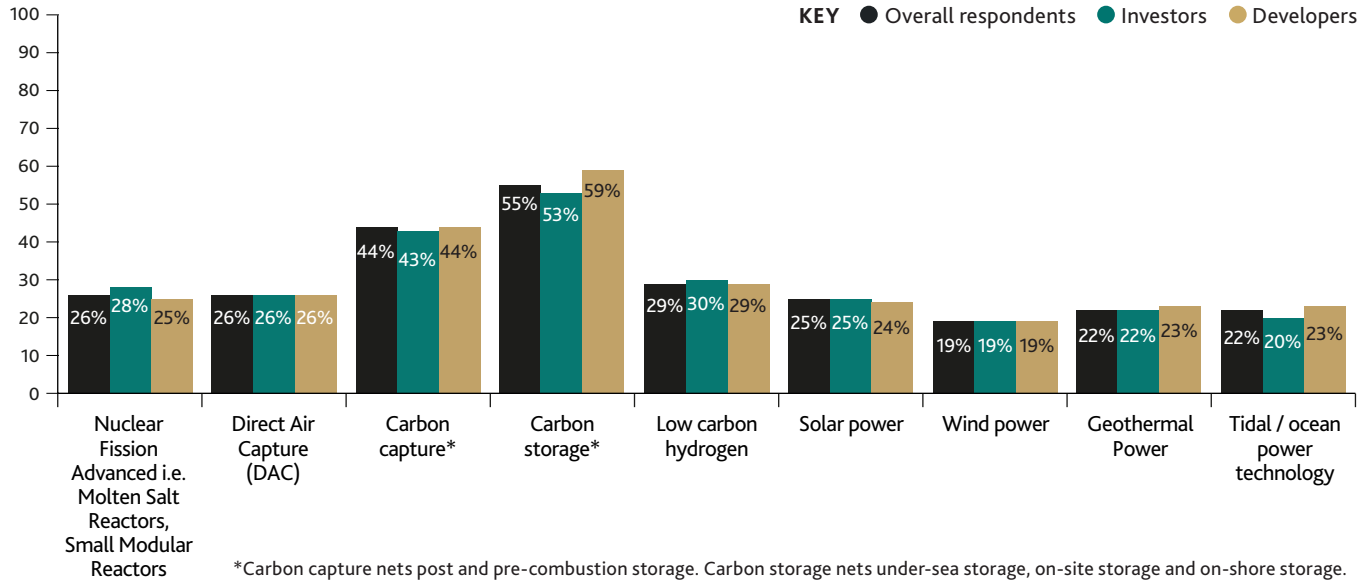
- Just 1% of respondents cited a tidal and ocean power project for the current year, whilst 22% stated their intention to invest or develop in this space in the year ahead
- Geothermal technology also emerged as a new focus for development, enjoying a bounce in respondent percentage increase, with 22% of respondents saying they now plan to invest or developing in this space.

**Breaking down *current* investment and development spread across technologies:**




*Carbon capture nets post and pre-combustion storage. Carbon storage nets under-sea storage, on-site storage and on-shore storage.

**Breaking down *planned* investment/ development spread across technologies**

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[1] To build a focused view of appetite for CCS, we asked Censuswide to combine responses relating to carbon capture (both pre-combustion and post-combustion) with those on carbon storage (including on-site, subsea and onshore options). We then aggregated these datasets to provide a single, comprehensive picture of respondents investing in either carbon capture or storage.

### 3. Energy system optimisation

Beyond low carbon technologies, the study also sought opinions on where investors and developers planned to spread their bets in the energy system optimisation space. Only 4 respondents said they have not invested or developed a related technology.

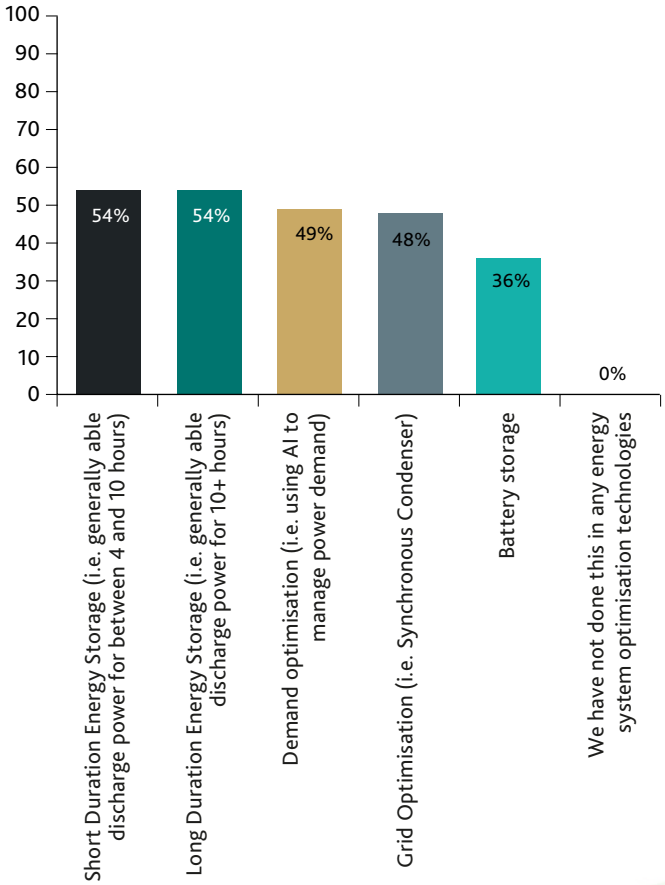
When comparing investors to developers, the latter were slightly more likely to have explored short duration energy storage (57% as opposed to 51% of investors).

Fund size was shown to influence activity here more than it did in the low carbon technology space, with investors from smaller funds (<$100m) more likely to invest in demand optimisation (60%) compared to 40% of investors from >$1bn funds.

Similarly, nearly half (47%) of investors from funds <$100m have invested in battery storage (47%) compared to just a third 33% of investors from >$1bn funds.

Geographically, respondents from the US were doubly likely to have invested in or developed battery storage than respondents from the UK (42% vs. 21%).

**Technology**




> Nearly half (47%) of investors from funds <$100m have invested in battery storage (47%) compared to just a third 33% of investors from >$1bn funds.

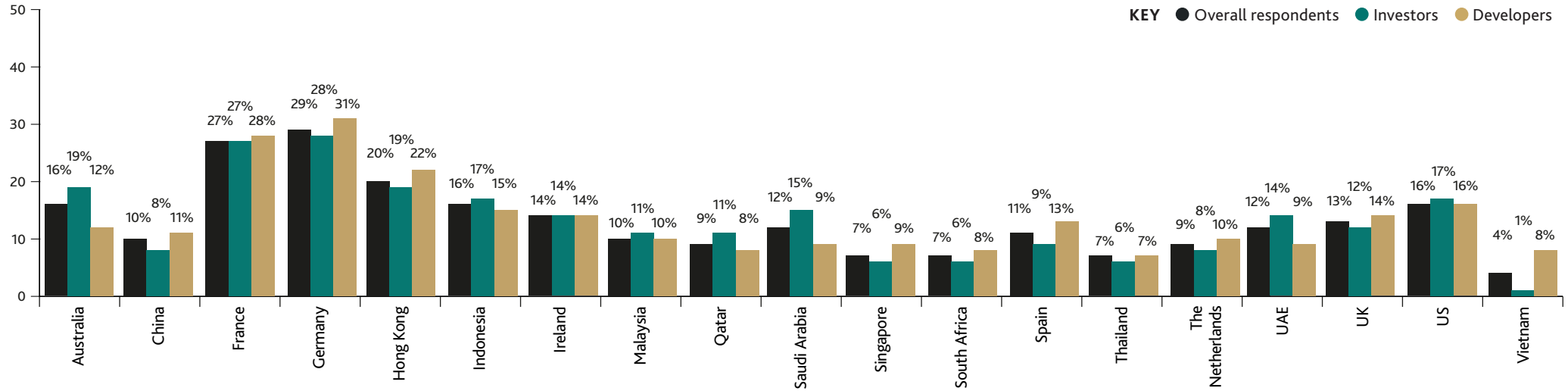
## 4. Government incentives & policy use

When asked which countries they had made use of a government's financial incentive for low carbon technologies, the field was split fairly evenly, but France and Germany retain their position as most favourable markets.

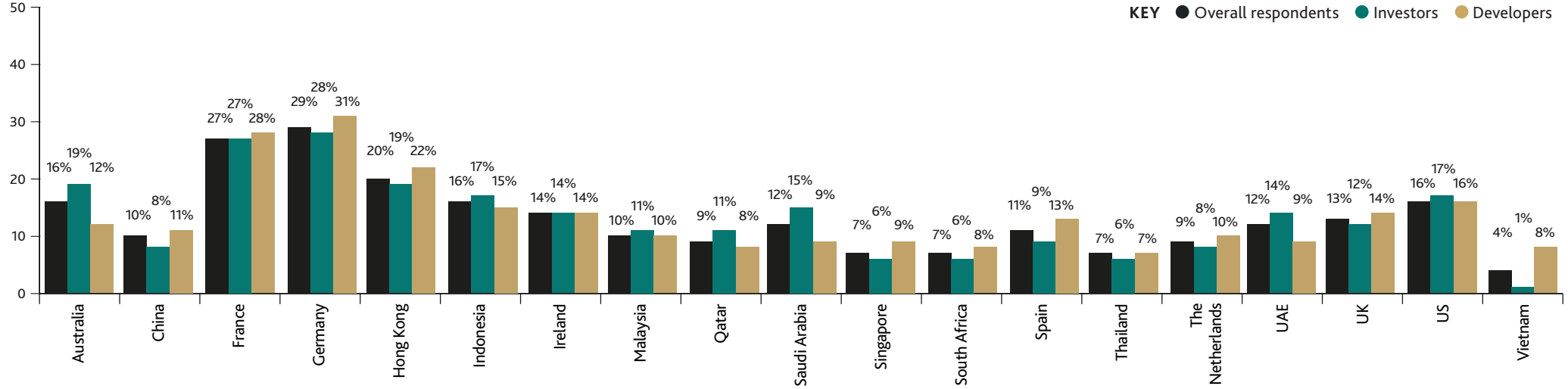
**Inward uptake of incentives- by geography**

When stripping out domestic responses, the trends remained the same but less emphatic. However, an interesting trend in the Middle East emerges, where investors are nearly twice as likely as developers to report using an incentive in Saudi Arabia and the UAE.

**Uptake of incentives - by geography**




**Uptake of incentives - by geography**

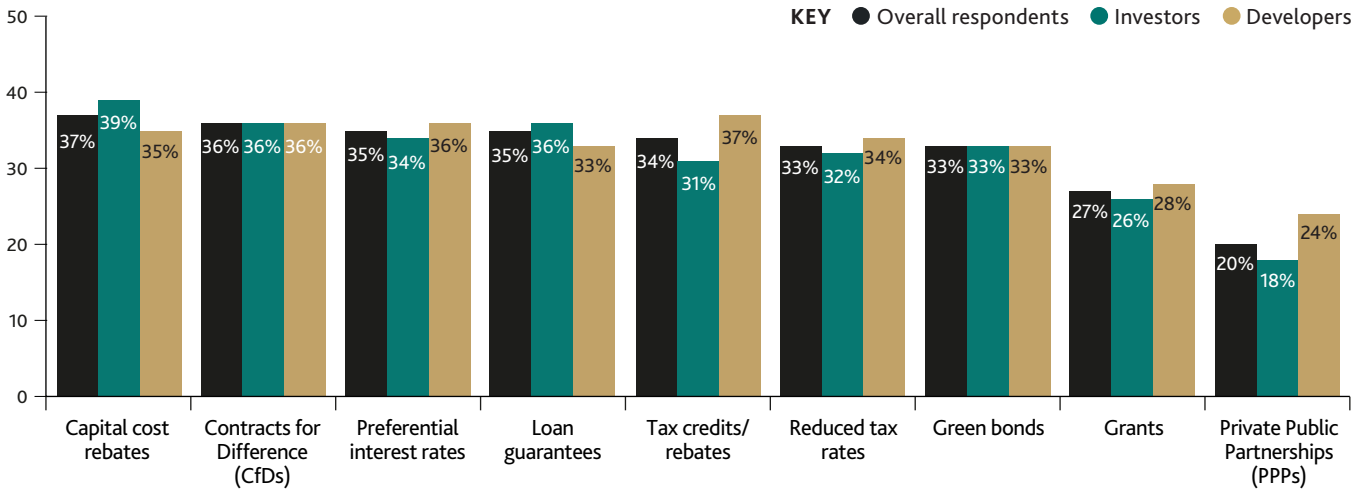


Top markets for incentives remain France and Germany which is unsurprising given their alignment with EU sustainability rules like AFIR, RePowerEU. Similarly, France has a compulsory Green Budget which screens hundreds of billions of euros of spending for environment impact. Germany's Energiewende strategy aims to generate 80% of its electricity from renewables by 2030 which creates a very favourable policy landscape for investment and development in low carbon and green projects.

When looking at the favourability of different incentives, capital cost rebates and CfDs were most likely to have been used (37% and 36% respectively). Least utilised were PPPs (20%). 33% of respondents said they had used a green bond.

- Smaller funds (<$100m) were more likely to have used capital cost rebates (50%) compared to 45% of investors from the biggest funds (>$1b)
- Smaller funds also more likely to have used tax credits/ rebates (35% compared to 26% of biggest funds)
- Most popular incentive for biggest funds was preferential interest rates, used by 39% of investors from funds over $1bn, closely followed by CfDs (38%)
- Smaller funds twice as likely (21% versus 10%) to have used a PPP
- Taken private/ listed companies more likely to have made use of CfDs (36% versus 21% of early-stage companies (pre-seed and seed stage).

**Incentives**




> Germany's Energiewende strategy aims to generate 80% of its electricity from renewables by 2030 which creates a very favourable policy landscape for investment and development in low carbon and green projects.

## 6. Geographies on the rise

When asked whether they agreed that the following regions or countries has a supportive regulatory landscape, clear trends emerged which give insight as to which geographies could become tomorrow's core development areas.

**Regulatory favourability – by geography**

50% of respondents strongly agreed that there is a supportive regulatory landscape for investing/ developing low carbon technology in Africa (86% net agreement – strongest across the regions we measured against).

Sentiment particularly strong in US- 96% feel positively about Africa, 68% strongly agree. South Africa is similarly positive towards Africa's evolving regulatory landscape- 96% agree and 82% strongly.

95% of early stage (pre-seed/seed stage) companies agree. This compares to more mixed sentiment towards other regions i.e. APAC and UK where positive sentiment drops to 68%.

**Regulatory favourability – by geography**

| Supportive regulatory landscape? | Overall (strongly agree) | Australia | France | Germany | Hong Kong | Middle East | Singapore* | South Africa* | Spain | US | UK |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Africa** | 50% | 49% | 38% | 48% | 56% | 44% | 58% | 82% | 28% | 68% | 54% |
| **Asia Pacific** | 30% | 18% | 35% | 13% | 38% | 33% | 29% | 11% | 25% | 27% | 25% |
| **Eastern Europe** | 37% | 26% | 44% | 60% | 44% | 28% | 20% | 36% | 17% | 37% | 39% |
| **EU** | 34% | 23% | 45% | 39% | 36% | 28% | 51% | 44% | 28% | 36% | 26% |
| **Latin America** | 35% | 30% | 32% | 19% | 43% | 36% | 47% | 33% | 20% | 51% | 31% |
| **Scandinavia** | 31% | 26% | 33% | 18% | 33% | 24% | 27% | 47% | 20% | 44% | 35% |
| **South Asia** | 40% | 23% | 35% | 40% | 54% | 45% | 51% | 49% | 22% | 50% | 39% |
| **Middle East** | 37% | 18% | 37% | 24% | 39% | 64% | 36% | 44% | 28% | 37% | 31% |
| **UK** | 39% | 23% | 45% | 40% | 51% | 40% | 24% | 42% | 26% | 59% | 35% |
| **US** | 33% | 16% | 34% | 25% | 41% | 40% | 47% | 51% | 14% | 55% | 15% |

*Base size below 50 (Singapore 45, South Africa 45) whilst caution should be applied to drawing generalisations from samples <50, this sample size has been calculated as roughly representative of the size of the VC and low carbon technology market in these jurisdictions and so can still indicate trends.

## 7. Barriers & decision drivers

**Factors preventing investment**

Top blockers for investors are scalability (44%), lack of incentives (42%), poor infrastructure (41%) and regulatory volatility (39%).

**Factors driving development**

Developers are most likely to weigh market demand (42%), government incentives (41%), expected regulatory improvements (40%) and infrastructure access.

Capital is constrained by risk; developers are constrained by the feasibility of project delivery.

## 8. Carbon Credit alignment is essential, but constrained by regulatory forces

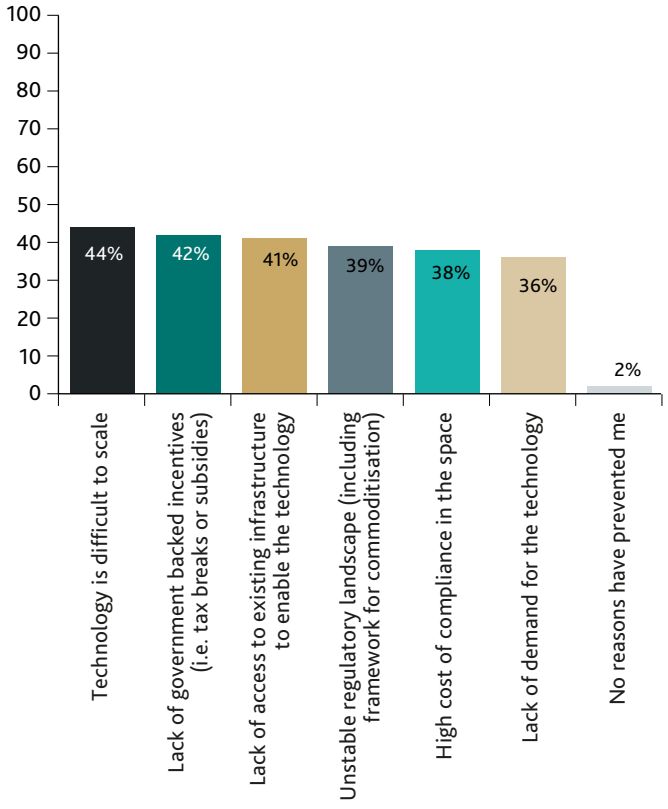
Investors: 99% prioritise guaranteed carbon-credit eligibility (64% always)

Developers: 98% design technologies to be carbon-credit eligible (72% always).

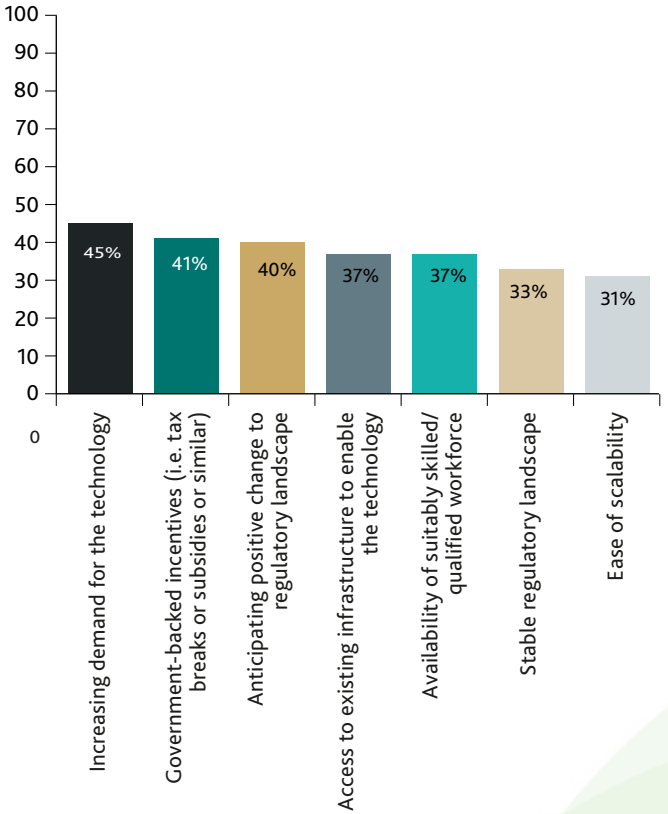
Carbon credit eligibility is no longer optional, it is a universal strategic imperative but developers are more likely to make this an essential part of development.

86% of all respondents in Germany said said they always prioritise carbon credit eligibility, compared to 46% in Saudi Arabia and 50% in the UK, reflecting maturity of the landscape/ market in Germany.

**Factors preventing investment**




**Factors driving developement**



## 9. Regulation around carbon credits

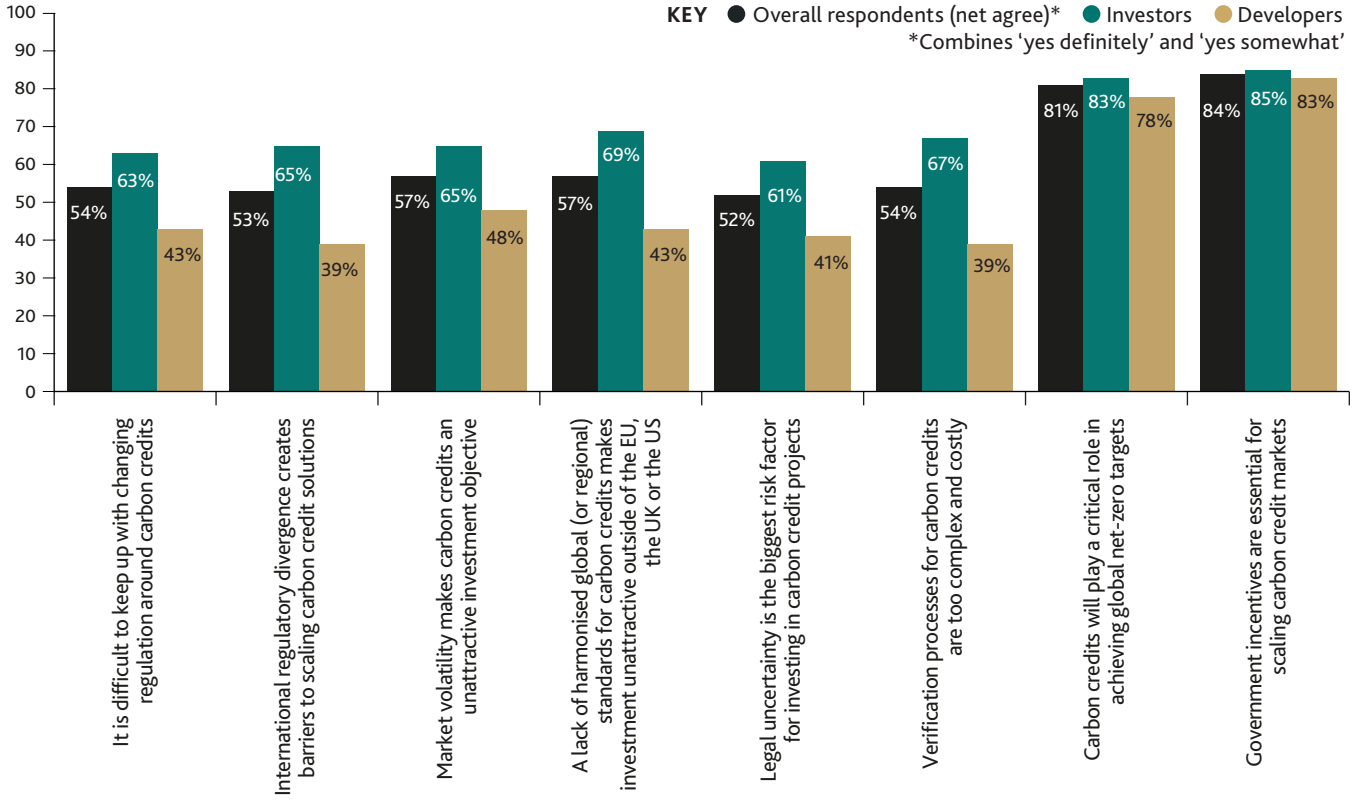
**Tracking sentiment towards carbon credit alignment**

Closer analysis of the data revealed that a lack of harmonised global (or regional) standards for carbon credits makes investment proportionally more unattractive to investors from funds >$1b (87%) compared to investors from funds <$100m (45%).

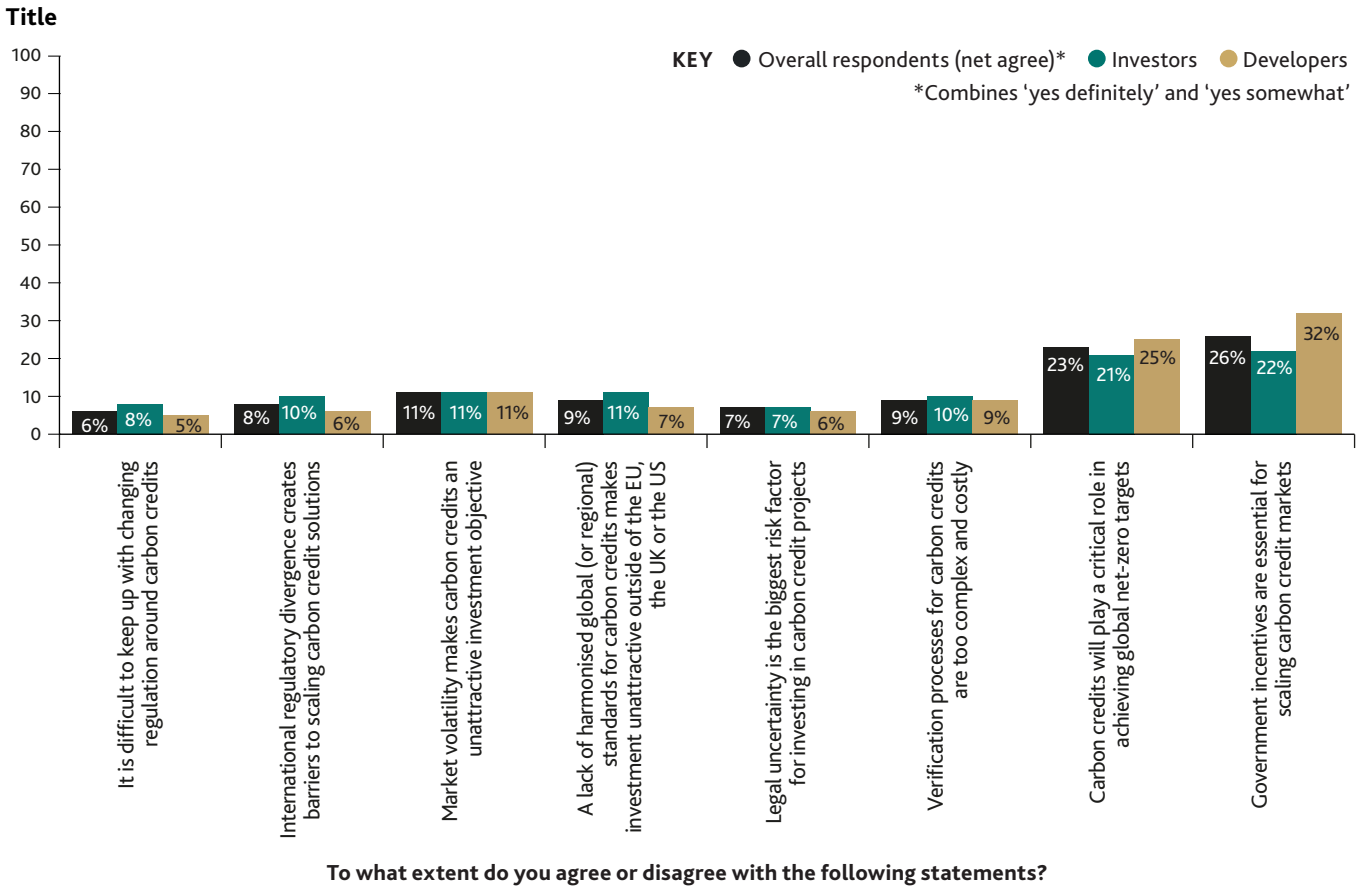
When asked to pick the statement they MOST agreed with, respondents were clear that carbon credits will play a critical role in driving progress to net zero (23%), but that government incentives have a vital role to play in achieving that (26%), with developers feeling even more strongly that this is the case (32% versus 22%).

> Respondents were clear that carbon credits will play a critical role in driving progress to net zero (23%)

**Tracking sentiment towards carbon credit alignment**




**To what extent do you agree or disagree with the following statements?**




## 10. AI grid optimisation versus emissions impact

When asked the extent to which respondents agreed with the statement: 'The effectiveness of AI used in grid optimisation and other emission-lowering projects outweighs the emissions cost required to support it (i.e. power & cool AI systems)':

97% of overall respondents agreed, 61% strongly agree

Investors from the biggest funds (>$1bn) were more likely to strongly agree with the statement 82%, compared to 48% of funds <$100m.

78% of respondents in Germany strongly agreed, the strongest sentiment across the respondent pool.