

This is an abbreviated version of the presentation given. The study associated with this work is forthcoming. Contact srose@epri.com or mmscott@epri.com for details.

Grounding Good Intentions: A Technical Foundation for Companies Considering Global Climate Scenarios and Greenhouse Gas Goals

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Background

- Stakeholders requesting that companies analyze the policy cost risk of managing climate
- Many companies also have or are considering greenhouse gas targets
- Organizations creating recommendations, methodologies, and tools they would like companies to apply (e.g., TCFD, Science Based Targets, CERES)
- However, many technical issues and uncertainties relevant to companies, requestors, and the public

TCFD and SBTi

Task Force on Climate-Related Financial Disclosures (TCFD)

The Financial Stability Board created TCFD to develop recommendations for more effective climate-related disclosures

TCFD Chair: Michael Bloomberg

32 participants

TCFD Disclosure Recommendations

Governance Strategy

"...taking into consideration different climate-related scenarios, including a **2°C or lower scenario**."

Risk Management Metrics and Targets

Science Based Targets Initiative (SBTi)

Initiative of CDP (formerly Carbon Disclosure Project), World Resources Institute (WRI), World Wide Fund for Nature (WWF), UN Global Compact (UNGC)

"[C]hampions science-based target setting..."

And, a GHG target is "science-based" if "they are in line with the level of decarbonization required to keep global temperature increase within **2°C of pre-industrial levels**."

- *sciencebasedtargets.org*

SBTi Target Setting Methodology Elements

1. 2°C goal
2. Carbon budget
3. Global emissions scenario
4. Company emissions reduction allocation

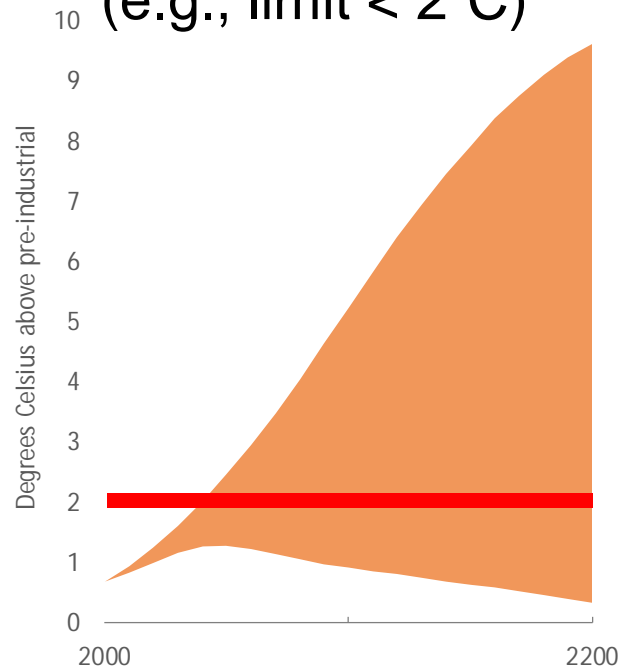
EPRI Study – To Help Ground Companies and Others

- **A sound scientific understanding is a requisite first step for companies, methodologies, and dialogue**
- The study analyzes and characterizes current scientific understanding and identifies technical issues and insights
 - Developing a public technical resource for informed discussion & decisions
 - To provide companies and others with the scientific wherewithal to move forward and be grounded on complex topics

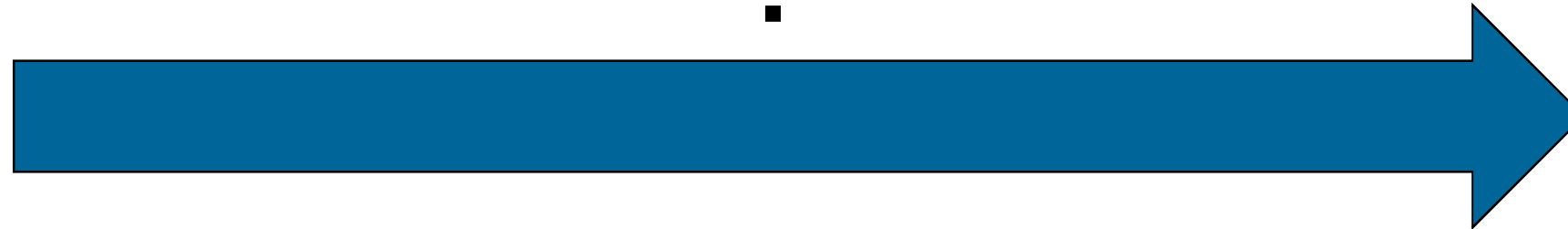
Global Climate Goals and the Relationship to Companies

We evaluate scientific understanding of the relationship between a company and a global average temperature goal

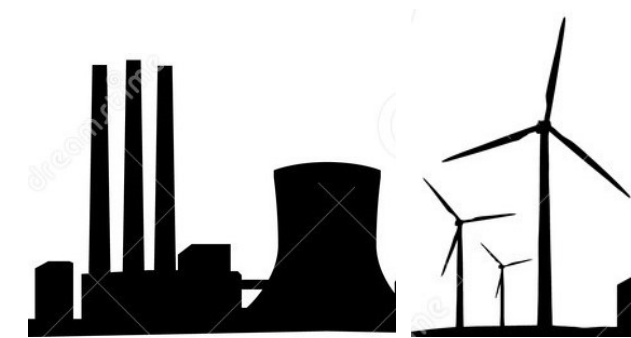
Climate goals
(e.g., limit $< 2^{\circ}\text{C}$)



?



Company



EPRI Study – To Help Ground Companies and Others

- Preliminary results and insights discussed
- Study publication forthcoming – if interested, let us know
 - Study part of a broader initiative to inform with analyses and a collaborative forum



Thank you!

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