

ELECTRIC UTILITY ALIGNMENT WITH THE SDGs & THE PARIS CLIMATE AGREEMENT: WHY, WHAT and HOW?

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**Columbia Center
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AND THE EARTH INSTITUTE, COLUMBIA UNIVERSITY

Questions for an investor (AO,AM) that mean well

10,000
businesses
involved in
UN Global
Compact

\$103.4 trillion
of AUM
aligned with 6
PRI principles
(2020)

More than
125 ESG data
providers



Has this helped?
**Are the SDGs beyond checking
the box?**
**Could it be that it has contributed
to greenwashing and SDG
rainbow-washing?**



No, No, Yes -> Why?

No standardized
metric and
reporting

Limits itself to
headline (ex:
carbon price)

Self reporting is too
vague or unreliable

Focus on (positive) contribution and
ignore “do not harm”

Comparison with best in class instead
of best fit for the future



CCSI's wants to bring conceptual clarity on “sustainability”

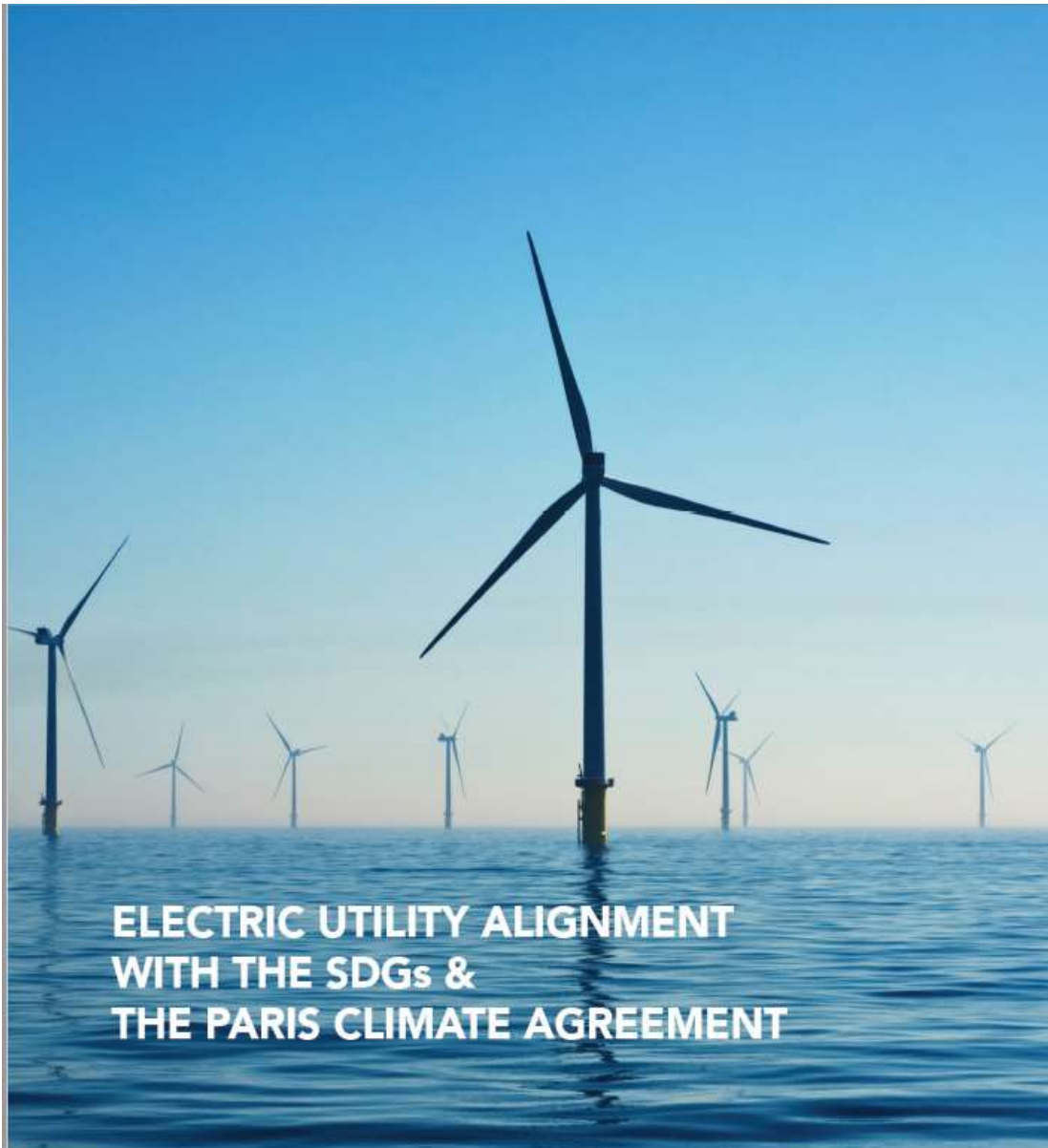
(1) Product: Is the utility on the path to reach zero carbon emissions by 2050 or earlier?

(2) Production process: Is the utility's production process socially and environmentally sustainable?

(3) Value chain responsibility: Is the utility's supply and value chain aligned with the SDGs and PCA?

(4) Corporate Citizenship: Is the utility a good corporate citizen?





**ELECTRIC UTILITY ALIGNMENT
WITH THE SDGs &
THE PARIS CLIMATE AGREEMENT**

A SCOPING STUDY

FEBRUARY 2020

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**SUSTAINABLE DEVELOPMENT
SOLUTIONS NETWORK**
A GLOBAL INITIATIVE FOR THE UNITED NATIONS

** Develop the specificities
of the framework*

** Benchmark 10 leading
utilities by market cap:*

American Electric Power (US), Duke Energy (US), Dominion Energy (US), EDF Energy (FR), Enel (IT), Engie (FR), Exelon (US), Iberdrola (SP), NextEra Energy (US) and Southern Company (US).

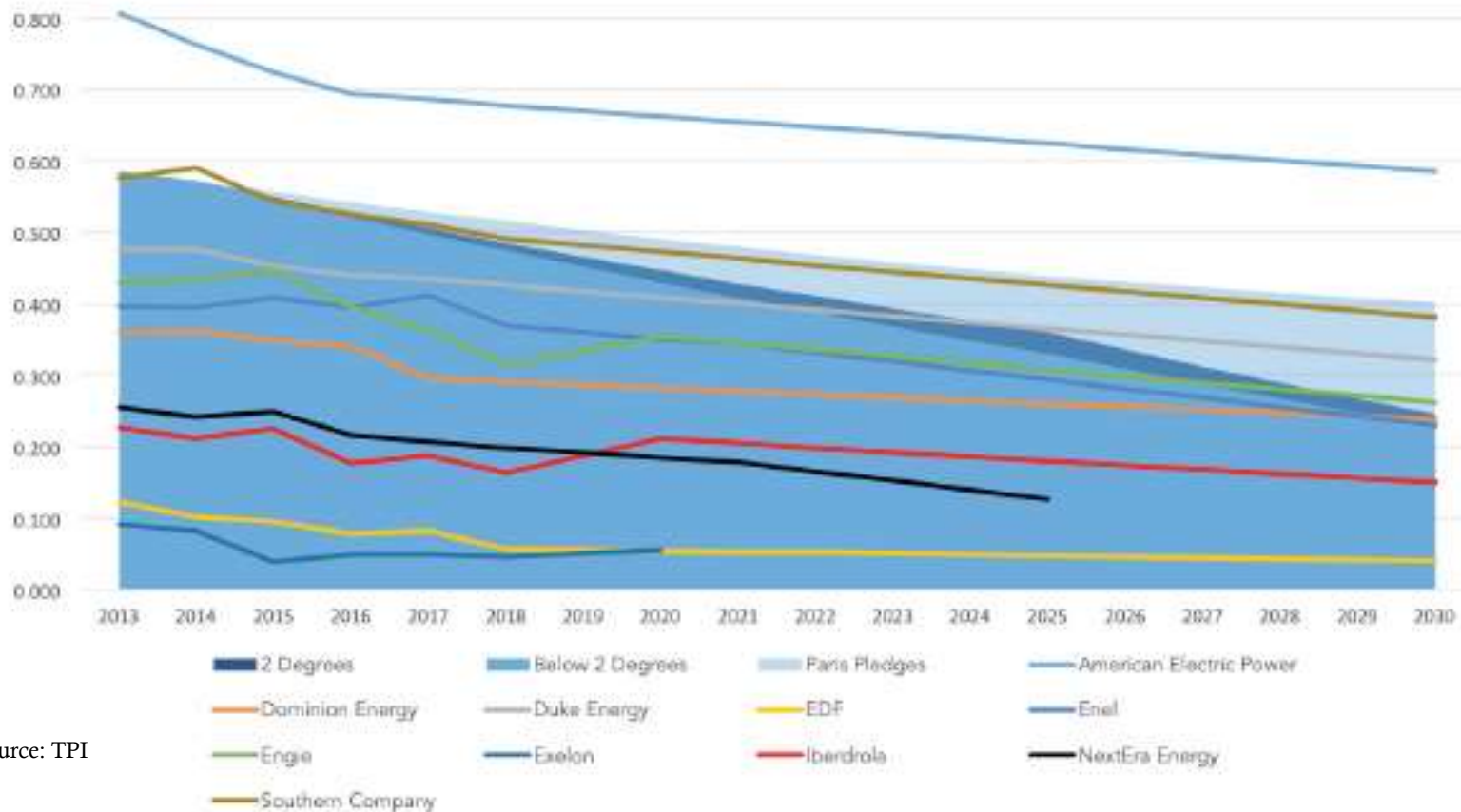
** Compare with leading
sustainability frameworks*

<http://ccsi.columbia.edu/work/projects/the-energy-sector-and-the-sustainable-development-goals/>



1) Product: is the utility on the path to reach zero carbon emissions by 2050 or earlier?

Carbon intensities (reported and targeted) in metric tons of Co2e per MWh electricity generation



Source: TPI

More than half are not on target and don't even claim to be carbon neutral by 2050 and 80% still have coal in portfolio by 2030!



2) Production process: Is the utility's production process socially and environmentally sustainable?

100% report on many aspects but for most it is headline declaration

- Sustainable water use, waste minimization, environmental stewardship, minimizing methane fugitive emissions and labor policies.
- **Example “sustainable water use”:** Who has targets? What abstains from non-renewable water intake? Who returns the water in clean condition? Who monitors water according to highest standards?

50% utilities are negligent on:

- Inclusive consultation process and outreach to marginalized communities
- Adoption of the UN Guiding Principles of Business and HR
- Helping with achieving fair transition post coal closure

80% of utilities still ignore altogether:

- Powering operations with renewable energies
- Building resilience and adaptive capacity of project affected communities
- Adequately anticipating closure and reclamation
- Following due process for land acquisition and avoiding competition with arable land



3) Value chain responsibility: Is the utility's supply and value chain aligned with the SDGs and PCA?

100% report involvement in:

- Developing models for smart cities and piloting them, advancing the EV market
- Programs to develop smart grids, use of tariff systems, sensitivity consumer programs on energy efficiency
- Programs on biogas

More than 50% utilities are negligent on:

- Collaboration with the building sector to change the building codes
- Interact with upstream suppliers to monitor their alignment with SDG/ PCA and select them on this basis
- Collect Scope 3 along the value chain

80% of utilities still ignore altogether:

- Collaborating with the heavy industry on green fuels
- Proactively involved in internationally connected grids



4) Corp. Citizenship: Is the utility a good corporate citizen?

○	Responsible participation in policy making: OpenSecrets.org and InfluenceMap	P
○	Responsible tax payments	P
○	Independent corporate oversight and climate responsibility on the board	I
○	Gender equality	I
○	Technology transfer	I
○	Collaboration with education on the energy transition	I

P: Problematic, I: Insufficient



Selected sustainability initiatives and adherence to the 4 pillar framework

Pillar 3 on Value chain and Pillar 4 on corporate citizenship are often not picked up

Tool →	CDP	Sustainalytics	EU Taxonomy	GRI	World Benchmarking Alliance	SASB	OECD MNE Guide-lines	TCFD	Transition Pathways Initiative	EEL and AGA Sustaina-bility Frame-work	Climate Action 100+	UN Global Compact	Science Based Targets	IFC Performance Standards
Qualifier ↓														
Guidelines														
Reporting Framework														
Rating System based on Standard-based Comparison											*only used internally			*only used internally
Rating System based on Peer to Peer Comparison														
Utility Specific														
Climate Specific														
Pillar 1														
Pillar 2														
Pillar 3														
Pillar 4														





Thank you

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