Session 6: What Have We Learned Here and What Should We Do Moving Forward

Steve Rose (EPRI), Jae Edmonds (PNNL), Haroon Kheshgi (ExxonMobil), John Weyant (Stanford)

Global scenario and other science issues and opportunities for climate-related finance, investment, and transition risk assessment, Snowmass, CO

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White paper plan

- Plan: Write a white paper from this meeting
- Objectives
 - Summarize and advance relevant science, identifying opportunities, limitations, and research priorities
 - Communicate learnings to advance dialogue and scientific research

White paper plan – New and improved draft outline

 Introduction – lay of the land, overview of different decision-makers, research community input to date

• Communities of practice and scientific needs

- Typology of practitioner communities (Session 1)
- Needs (Session 2)
 - Decision-making needs
 - Technical needs
- Approaches past and present (Session 2)
- Challenges and ideas for improvement (Session 2)

• Current scientific capability, understanding, and use (Session 3)

- Current scientific information being used and available
- Proper interpretation
- Scientific issues

• Opportunities going forward (Sessions 2, 3, and 4)

- Communications
- Coordination community coordination
- Science identify and discuss priorities for supporting better decision-making
 - Improving use of existing science and scientific resources
 - Developing improved science and scientific resources
- Conclusion

<u>Draft Title</u>: Scientific issues and opportunities for climate-related finance, investment, and transition risk assessment

Communities of practice and scientific needs

- Typology of practitioner communities (scientific questions, issues, and informational needs)
- Straw dimensions defining community roles
 - Interest
 - Climate-relevant science question
 - Timeframe of interest
 - Notable initiatives
 - Key publications

Example initial draft: National Central Banks

- Interest: ensuring a well-functioning financial system.
- Climate-relevant science question: what are the potential ways in which climate change might cause risks to the functioning of financial systems, and how should these risks be managed?
- Timeframe of interest: Timeframe relevant to risk management decisions. Typically on the order of a decade or less.
- Notable initiatives: FSB, TCFD
- Key publications: TCFD report

Example initial draft: Development Bank

- Interest: provide finance for sustainable development.
- Climate-relevant science question: how should finance enable multiple priorities including climate?
- Timeframe of interest: Timeframe for development (years to decades).
- Notable initiatives: WB and other regional banks
- Key publications: SDGs

Example initial draft: Investment Firms

- Climate-relevant objective: Choosing investments (e.g. stocks) including consideration of all relevant risks and opportunities including those posed by climate change.
- Climate-relevant science question: what is the current value of climate risks and opportunities (both physical and mitigationrelated – e.g. policy) for a given investment?
- Timeframe of interest: Timeframe relevant to current investment value. Typically on the order of a decade or less.
- Notable initiatives:
- Key publications: Firm climate reports (e.g., JPMC, Citi)

Example initial draft: Project investment & management

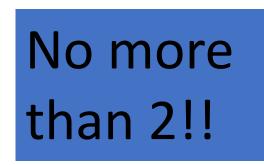
- Interest: determine project risk and include in project investment and management.
- Climate-relevant science question: what is the current value of climate risks and opportunities (both physical and mitigationrelated – e.g. policy) for a given project, and risk management options/execution?
- Timeframe of interest: Timeframe relevant to current project value/pay-back. Typically on the order of a decade or less.
- Notable initiatives:
- Key publications:

Example initial draft: Energy (and Industry) Firms

- Interest: meeting energy (product, service) demand while reducing risks.
- Climate-relevant science question: how should energy firms manage the risks (policy and physical) of climate change and communicate with their investors and other stakeholders?
- Timeframe of interest: Timeframe relevant to risk management decisions for the firm's business (typically on the order of a decade or less), and role in societal risk management (the full range of timescales, but may not be particular to specific firms).
- Notable initiatives: TCFD and other disclosure practices
- Key publications: Firm disclosures

Science Roundtable – top science questions related to climaterelated finance, investment, and transition risk assessment

- Question: What are your top 1-2 science questions?
 - Valentina
 - Jae
 - Keywan
 - Elmar
 - Irene
 - Steve
 - Chris



Extras

Example initial draft: International Climate Negotiations

- Interest: role of finance in international agreements.
- Climate-relevant science question: what are useful ways for international finance to enable climate agreements, and how is it defined and measured?
- Timeframe of interest: Timeframe for the negotiations and objective (years to decades).
- Notable initiatives: UNFCCC, IPCC
- Key publications: Paris Agreement and associated UNFCCC documents, IPCC assessments (e.g. finance chapter)