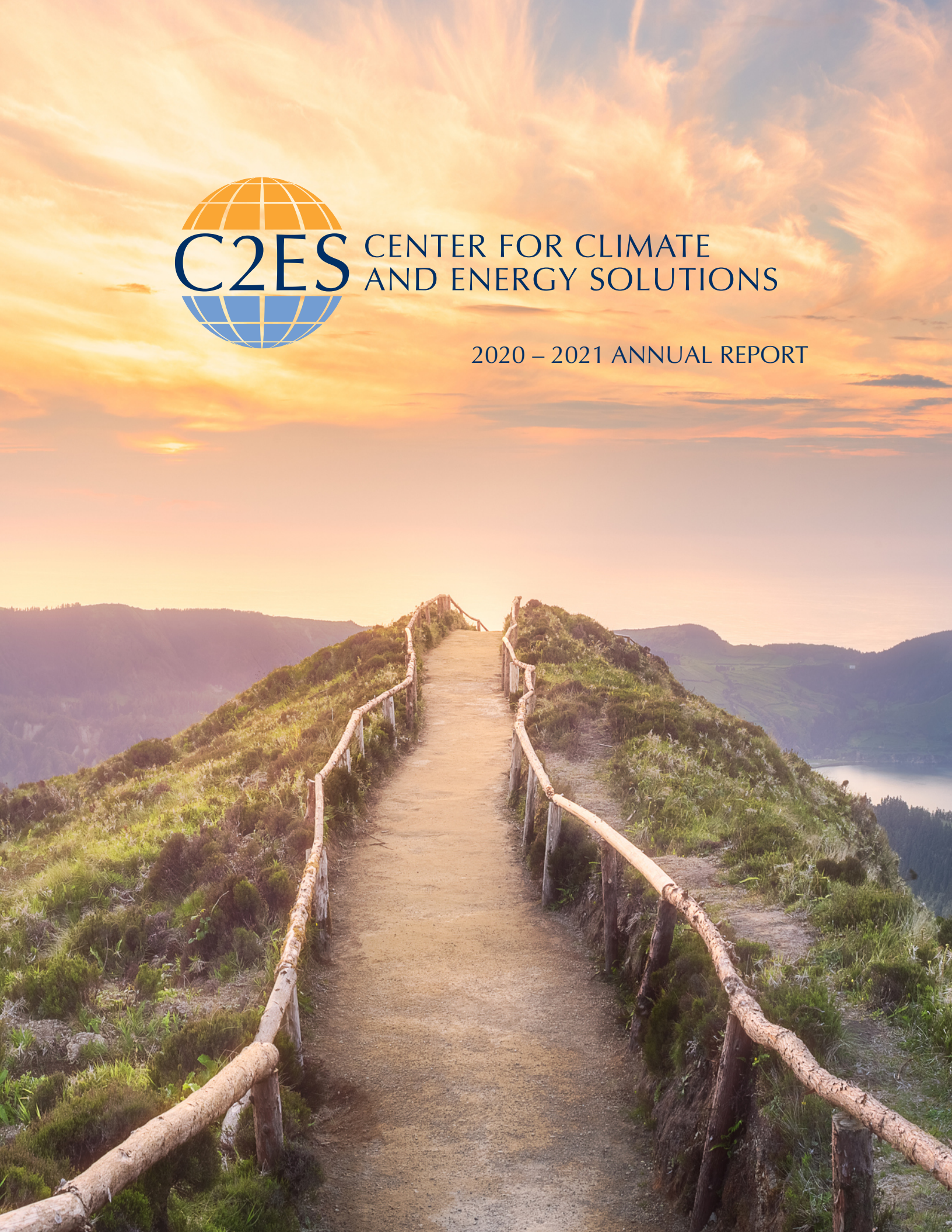




CENTER FOR CLIMATE
AND ENERGY SOLUTIONS

2020 – 2021 ANNUAL REPORT





Who we are...

The Center for Climate and Energy Solutions forges practical and innovative solutions to address climate change and engages with leading businesses to advance policies and actions that reduce greenhouse gas emissions, promote clean energy, and strengthen resilience to climate impacts.

Founded in 1998 as the Pew Center on Global Climate Change, C2ES is an independent, nonpartisan organization, known worldwide as a thought leader and trusted convener on climate change and energy. C2ES staff and leadership believe in equitable climate solutions, in ensuring that the benefits of the transition to a net-zero economy are widely shared, and in empowering marginalized and vulnerable populations—who suffer the brunt of a changing climate.

Through our research and dialogues, we answer pressing questions, identify roadblocks to progress, and bring climate solutions to light. C2ES is successful in its work because it is proven to be adept in:

- **Policy Innovation and Leadership**

C2ES expertise and innovative policy solutions are valued by policymakers at all levels as designs informed by economic and technical knowledge, leading to extensive networks with lawmakers and staff.

- **Business Engagement**

The C2ES Business Environmental Leadership Council is the largest U.S.-based group of Fortune 500 companies dedicated solely to addressing our climate challenges. The ties developed by C2ES over more than 20 years engaging with business leaders on climate solutions inform our work, strengthen corporate action, and help mobilize business support for effective climate policy.

- **Trusted Convening**

C2ES is broadly recognized as a credible and neutral convener, bringing city, state, and national policymakers together with businesses and other stakeholders to build common understanding and consensus around solutions. And for more than a decade, we have regularly convened international climate negotiators to identify constructive paths that led to the Paris Agreement and that support its success.

What sets C2ES apart is our combination of policy and analytical expertise, longstanding relationships with leading businesses, and reputation as a trusted convener.

Progress despite headwinds

With more than twenty years of experience conducting rigorous analysis and forging practical and innovative solutions to address climate change, C2ES is known worldwide as a thought leader and trusted convener on climate change and energy solutions. We work with policymakers and leading businesses to forge durable, effective, and ambitious solutions to climate and energy challenges

As the Covid-19 pandemic gripped nearly every facet of our daily lives and led large portions of the country to work from home, C2ES also went remote. We adapted our programs and goals to adjust to the new reality—recalibrating our policy goals to address the economic context and pandemic-induced recession, while moving our convenings and policy dialogues online.

Climate Solutions to Restore the Economy

As the U.S. economy slowed in response to Covid-19 protocols and the realities of physical distancing, C2ES looked to climate policies for opportunities to restore economic growth across the United States and build the foundation of the low-carbon economy. A C2ES **brief** identified policies with great potential to create jobs and stimulate growth in the near-term that could also reduce greenhouse gas emissions and strengthen climate resilience.

Despite the Trump Administration's reluctance to grapple with challenges of climate change, cities, states, and leaders in the private sector continued to maintain momentum on climate progress. In 2020, C2ES built on the Climate Innovation 2050 project to work with leading companies to examine pathways to decarbonize the U.S. economy across each economic sector, integrating local perspectives into state and federal policy contexts through **regional roundtables**. These virtual roundtables focused on community stakeholders and businesses in Ohio, Illinois, Iowa, and Texas covering topics that include reducing emissions from the buildings and industrial sectors and accelerating carbon sequestration in the bioeconomy.

Even in Washington, several policymakers—Republicans and Democrats alike—continued to push for economy-wide climate solutions, including a price on carbon. C2ES worked with members of Congress in designing **carbon pricing policies** to harness market forces in favor of carbon pollution reductions. In 2019 and 2020, members of congress introduced **eleven** carbon tax and cap-and-dividend proposals, and **C2ES highlighted** the impact of

carbon pricing examples at the international, national, and state levels.

As the Biden Administration entered the White House, C2ES organized a **joint statement** from 47 of the country's leading companies, which collectively pledged to work with the incoming president and Congress to enact ambitious, durable, bipartisan climate solutions. What followed was an ambitious policy agenda assembled by C2ES and informed by our deep business ties offering a **climate agenda** for the new Biden Administration and Congress. In the week following President Biden's inauguration, C2ES hosted New Jersey utility PSEG President, CEO, and Chairman Ralph Izzo; Lafarge Holcim CEO of Cement Operations Jamie Gentoso; and Bank of America Vice Chairman Anne Finucane who each echoed the call for Congress to work with the new administration for new climate policies and investments.

The Renewable Thermal Collaborative (RTC), a project facilitated by C2ES, David Gardiner and Associates (DGA), and the World Wildlife Fund, is a growing coalition of thermal energy users focused on solutions to reduce emissions resulting from heat generation in industrial processes. In 2021, the RTC was recognized by Lever for Change with a \$10 million prize to scale the use of renewable thermal energy in the United States' industrial sector by 150 percent this decade, slashing U.S. industrial thermal emissions—which currently accounts for two-thirds of industrial energy and nearly one-fifth of total energy consumption globally—by 30 percent.

Restoring Faith in U.S. Ambition

The announcement by President Joe Biden on January 20, 2021, his first day in office, that the United States would re-enter the Paris Agreement offered an urgent and necessary signal to the world that America would again attend to climate change as a crisis-level priority.

That announcement was a long-awaited shot in the arm – but it built on the work of myriad actors during the previous four years. A **brief** published by C2ES explored the “signaling” effect of the Paris Agreement and how non-party actors, state and local authorities, companies, workers, faith organizations, educational and cultural institutions, and others have over time internalized the goals of the Paris Agreement and oriented their actions accordingly. In the United States, this indirect effect helped maintain momentum toward the Paris goals, even as the Trump administration withdrew from the agreement.



In April 2021, the Biden administration announced a new 2030 nationally determined contribution (NDC) under the Paris Agreement, committing the United States to reduce greenhouse gas emissions 50 to 52 percent below 2005 levels by 2030. That same week, C2ES held a U.S. Climate Action Week **virtual event** with business voices from IBM, Duke Energy, GE, and Shell focused on the private sector contribution to reduced greenhouse gas emissions in the United States.

After the pandemic postponed the United Nations climate talks originally scheduled for November 2020, negotiators were faced with the tasks of advancing progress in its absence on critical imperatives, including completing the Paris “rulebook” and Article 6, encouraging greater ambition, and redirecting emphasis to implementation and delivery on pledges. In preparation for COP26 in Glasgow, which took place a year late in 2021, C2ES hosted negotiator workshops in Milan to lay the groundwork for success.

With growing concern that the global response to climate change will be inadequate to avoid an unsafe global environment, C2ES in partnership with SilverLining, produced a **series** of papers expanding the knowledge base of global decision-making, cooperation, and governance questions relating to the safety of solar and climate intervention possibilities.

Business Leaders Stepping Up

The C2ES Business and Environmental Leadership Council and additional, deep business ties have been a defining characteristic of the organization since its founding. A critical aspect of C2ES’s focus on corporate voluntary climate action is the urgency for progress when policymakers are not leading the way.

During Climate Week in September 2020, C2ES put business leadership in the spotlight, with virtual events focusing on how companies turn net-zero commitments into real-world results that **implement plans** for emission reductions in operations and supply chains. C2ES President Bob Perciasepe hosted a **CEO-level discussion** with Edison International’s Pedro Pizarro and Wayne

Smith of BASF, who discussed the technology and policy challenges they work to overcome to meet their own climate goals. And C2ES also highlighted **women leading** the drive toward corporate sustainability and ESG goals with representatives from JPMorgan Chase, Anheuser-Busch InBev, Microsoft, and American Honda Motor Company.

Companies are not only working to reduce their own emissions, but also to insulate their operations from the physical and transition risks associated with climate change. Since the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD) put forward a voluntary reporting framework in 2017, a growing number of companies have worked to improve and align public reporting on climate-related risk. C2ES is working with companies on **best practices and decision-making** related to assessing their own climate risks and how to transparently communicate with customers, employees, communities, and investors. A **C2ES brief** also identified the challenges and lessons learned from two workshops focused on how to analyze risk-modeling scenario analyses for better decision-making.

The Resilience Factor—Competitiveness and Resilient Cities

Increasingly, U.S. cities and regions are facing costly climate impacts that are having significant effects on local businesses and communities. C2ES’s **Resilience Factor** report explores how the economic competitiveness of U.S. cities will be impacted as climate impacts worsen and how enhanced climate resilience could provide a competitive advantage. C2ES hosted a **virtual event** focusing on how climate impacts escalate local vulnerabilities, including city finances, to identify resilience strategies cities are using to address risk and safeguard investment.

Through its partnership with The U.S. Conference of Mayors—the Alliance for a Sustainable Future—C2ES published a set of **case studies** that highlight how cooperation among cities and companies can lead to promising, cost-effective programs that support our goals in reducing the impact of climate change.

Business Environmental Leadership Council

The C2ES Business Environmental Leadership Council—including top companies in the power, manufacturing, transportation, technology, oil and gas, finance, and other sectors—is among the largest U.S.-based groups of companies devoted solely to addressing climate change. **From April 1, 2020 to March 31, 2021, we welcomed new members CMS Energy, Eastman, Southern Company, and Wells Fargo.** C2ES works with these business leaders to understand and pursue the policies and technologies that will help us reach our climate goals.

BELC Members must agree to endorse the following principles:

1 We accept the scientific consensus that climate change is occurring and that the impacts are already being felt. Delaying action will increase both the risks and the costs.

2 Businesses can and should incorporate responses to climate change into their core corporate strategies by taking concrete steps in the U.S. and abroad to establish and meet greenhouse gas emission reduction targets, and/or invest in low and zero greenhouse gas products, practices, and technologies.

3 The United States should significantly reduce its greenhouse gas emissions through economy-wide, mandatory approaches, which may vary by economic sector and include a flexible, market-based program. Complementary policies may also be necessary for sectors such as buildings, electricity generation, forestry, agriculture, and transportation that will help drive innovation and ease the transition to a low-carbon economy.

4 Climate change is a global challenge that ultimately requires a global solution. An international climate framework must establish fair, effective, and binding commitments for all developed and major developing economies.

MEMBERS

AECOM	Dominion	Intel
Alcoa	Dow Chemical Co.	JPMorgan Chase
Amazon	DTE Energy	LafargeHolcim
American Airlines	Duke Energy	Microsoft
APS	Eastman	Morgan Stanley
Arconic	Edison International	National Grid
Bank of America	Energy	Pacific Gas and Energy Company
Berkshire Hathaway Energy	Equinor	PSEG
BHP	Exelon Corporation	Shell International
BP	General Electric	Southern Company
Chemours Company	General Motors	Toyota
Cheniere Energy	HP	Wells Fargo & Co.
CMS Energy	IBM	

C2ES Funders (FY 2020–2021)

The Center for Climate and Energy Solutions (C2ES) welcomes and appreciates the generous support of charitable foundations, governments, individuals, and businesses. As a fully independent organization, C2ES is solely responsible for its positions, programs, and publications.

\$250,000+

Bank of America
Bloomberg Philanthropies
Breakthrough Energy
Quadrature Climate Foundation
The Bernard and Anne Spitzer Charitable Trust

\$100,000 to \$249,000

ClearPath
David Gardiner and Associates
Energy Foundation
The William and Flora Hewlett Foundation
Roger Sant and Doris Matsui

\$25,000 to \$99,999

Leslie Carothers
Dominion
Duke Energy
Energy
Environmental Defense Fund
Government of Canada
Intel
Japan
Microsoft
Norwegian Ministry of Climate and Environment
Theodore Roosevelt, IV & Connie Roosevelt

Swiss Federal Office of the Environment
United Kingdom Department for Business, Energy and Industrial Strategy

\$10,000 to \$24,999

Jay Bartlett
DTE Energy
Edison International
Frank and Dale Loy
Jerry Meyer and Nina Zingale
MIGreenPower
Natural Capital Partners
The Nature Conservancy
Prior Family Foundation
SoCalGas
Trane Technologies
Volvo

\$2,500 to \$9,999

California Department of Water Resources
Canadian Electricity Assoc.
Coca-Cola
Jessica & Peter Curran
Jacobs Engineering Group
James McGinnis
Michigan Department of Environment, Great Lakes, and Energy

Pacific Gas and Electric Company
Washington Gas
Marty Weiner
Jeffrey Williams
David Zlotowski

\$500 to \$2,499

Ann Condon
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Henry Euler
Good Deeds Fund at The Chicago Community Foundation
David Hone
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Brenda Mallory
Roger Martella
Martens Bash Foundation
Martens Bash
Kathleen Merrigan
Pati and Chris Nagel
Nicki & Marshall Smith
Louis Renjel
John Schmitz
T. Michael Twomey
Adam Zurofsky

Note: This list does not include Business Environmental Leadership Council membership dues or honoraria.

Fiscal Year 2020–2021

April 1, 2020 – March 31, 2021

Statement of Activities

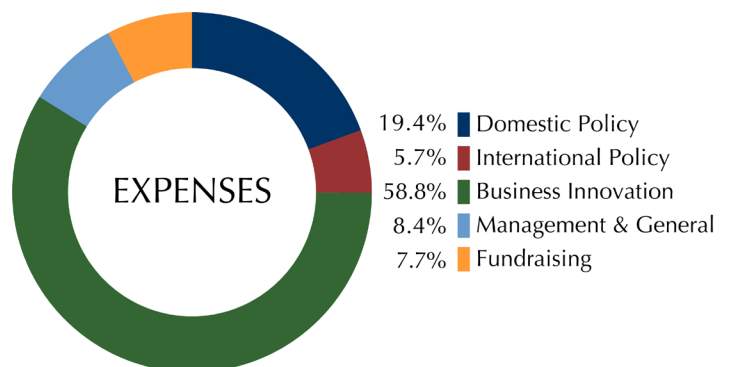
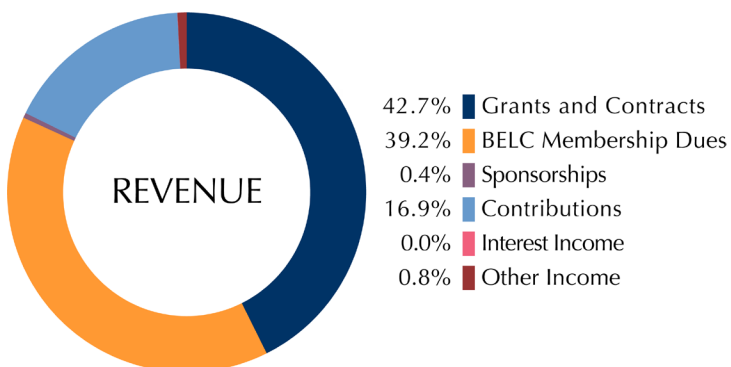
REVENUES	
Grants and Contracts	1,238,547
BELC Membership Dues	1,137,052
Sponsorships	13,000
Contributions	490,543
Interest Income	498
Other Income	23,899
TOTAL REVENUES	\$ 2,903,539.00
EXPENSES	
Domestic Policy	775,995
International Policy	226,442
Business Innovation	2,354,599
Management and General	334,667
Fundraising	308,632
TOTAL EXPENSES	\$ 4,001,801.00
NET ASSETS	
Change in Net Assets	(1,099,728)
Net Assets, Beginning of Year	1,397,984
NET ASSETS, END OF YEAR	\$ 298,256

Statement of Financial Position

ASSETS	
Cash	3,265,820
Grants Receivable, net	1,390,329
Accounts Receivable, net	212,616
Prepaid Expenses	109,090
Property and Equipment, net	71,850
Deferred Compensation Investments	317,142
Deposits	144,959
TOTAL ASSETS	\$ 5,511,806
LIABILITIES	
Accounts Payable and Accrued Expenses	198,979
Payroll Liabilities	101,427
Deferred Revenue and Membership Dues	4,082,668
Deferred Rent	111,738
Capital Lease, Current	3,053
Deferred Compensation Obligation	317,142
Note Payable, PPP Loan	398,543
TOTAL LIABILITIES	\$ 5,213,550
NET ASSETS	
Unrestricted	3,266
Temporarily Restricted	294,990
TOTAL NET ASSETS	\$ 298,256

Note: Net assets at the beginning of the year included funds that were reserved for FY 2020-2021.

Our fully audited financial statements are available at www.c2es.org or upon request by writing to the Development Department, 3100 Clarendon Blvd., Suite 800, Arlington, VA 22201.



Board of Directors as of March 31, 2021

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Philanthropist/Founder, Earth Day Texas

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Join Us

DONATE at www.c2es.org/support or contact Development Associate Kristin Gunn at 703-516-4146 to help us advance strong policy and action to address climate change. C2ES is a nonprofit, tax-exempt charitable organization (tax identification number 54-1892252) under Section 501(c)(3) of the Internal Revenue Code. Donations are tax-deductible as allowed by law. C2ES is a Delaware corporation, with offices located in Arlington, Virginia.

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