



CENTER FOR CLIMATE  
AND ENERGY SOLUTIONS

2021 – 2022 ANNUAL REPORT

*A Pivotal Year for Climate Action*



# *POLICY INNOVATION*

## *DEEP BUSINESS TIES*

### *TRUSTED CONVENER*

The Center for Climate and Energy Solutions works to secure a safe and stable climate by accelerating the global transition to net-zero greenhouse gas emissions and a thriving, just, and resilient economy.

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.

The C2ES Business Environmental Leadership Council, a group of 40 mostly Fortune 500 companies committed to climate action, is an indispensable resource to C2ES's work. The BELC is the largest U.S. based group of its kind focused on addressing the challenges of climate change, combining voluntary corporate action, ambitious targets to reduce climate pollution, and policy engagement to advance ambitious solutions to climate change.

In 2021, C2ES named economist and seasoned climate leader **Nathaniel Keohane** as the organization's third president, succeeding Bob Perciasepe. Keohane was selected by the C2ES Board of Directors due to his deep knowledge of climate policy, experience in government and with environmental nonprofit advocacy groups, and record for success in standing up effective climate campaigns.

Keohane joined C2ES after serving as Senior Vice President for Climate at the Environmental Defense Fund (EDF). Dr. Keohane served as Special Assistant to the President for Energy and Environment under former President Barack Obama, and previously taught at the Yale School of Management.



"It's truly exhilarating to have been selected to steer the course of C2ES in the coming years. For more than two decades, C2ES has played a vital role as convener and advocate pushing for durable climate solutions. It has employed the expertise and gravity of leading companies in the push for stronger, durable climate policies that can raise ambition on climate action while growing the economy."

— C2ES President Nathaniel Keohane

C2ES works collaboratively to develop practical and innovative solutions to the most challenging climate obstacles. We do this in three ways:

- **Policy Innovation and Leadership:** C2ES policy solutions, backed up by rigorous research and analysis, are valued by policymakers at all levels for delivering climate solutions embedded with economic and technical knowledge.
- **Business Engagement:** Deep ties to large companies developed over more than 20 years inform C2ES's work, strengthen corporate action, and mobilize business support for effective policy.
- **Trusted Convening:** C2ES brings together diverse stakeholders to build consensus around ambitious climate solutions. For more than a decade, we have regularly convened international climate negotiators to lay the groundwork for the Paris Agreement and support its success.





# A Renewed Commitment to Action

As President Joe Biden made climate change a central priority of his administration, and as renewed U.S. leadership opened up the possibility of catalyzing progress in the international arena, C2ES worked to help sow the seeds for enduring achievements at home and abroad.

On Earth Day, April 22, 2021, President Biden announced an ambitious new Nationally Determined Contribution (NDC) for the United States, under the Paris Agreement on climate change: a 50-52 percent emissions reduction by 2030 with respect to 2005 levels. Restoring global confidence in the United States meant that the world would be looking for a signal that the United States was resolved to meet that target in real terms. Proving that commitment would be a goal that required collective action.

## **Net-Zero Infrastructure Investment**

With climate impacts exacerbating and straining U.S. infrastructure as flooding, wildfires, and rising sea levels present an ever-growing threat, large-scale infrastructure investment became an increasingly urgent need for communities struggling to finance critical upgrades.

When the Biden Administration moved to act on a bipartisan infrastructure package, the opportunity for investment in the clean energy economy was a top priority for C2ES, as well as for the Business Environmental Leadership Council and other companies. Building on a series of discussions with companies that began in late 2020, C2ES organized 41 companies urging Congress to act in **support of net-zero infrastructure investment**. The companies called for a rapid shift toward a low-carbon future:

*“There is an urgent imperative to act now to reduce the economic and physical risks of climate change. Modern, resilient infrastructure can not only reduce these risks, but also create significant economic opportunity in cities and small towns across America. We view climate action as a business imperative.”*

Later in 2021, Congress enacted that legislation, formally known as the Infrastructure Investment and Jobs Act, with the support of more than thirty Republicans in the House of Representatives and the U.S. Senate—representing an important down payment toward meeting the U.S. 2030 NDC.

## **Ensuring Economic Opportunity in the Low-Carbon Future**

Bringing together more than four dozen companies through the **Climate Innovation 2050** project, C2ES worked to pursue pathways to decarbonize the U.S. economy by midcentury. While the bipartisan infrastructure law established a notable foundation for the policy framework needed to meet the U.S. goal to halve emissions by 2030, there was still more to be done.

As the Biden Administration laid out its ambitious “Build Back Better” agenda for investment across the U.S. economy, C2ES—with input and engagement from C2ES BELC members and other leading companies—shaped the debate in Washington, D.C. We contributed to the development of key climate provisions in the Build Back Better framework, and rallied companies in support of those provisions and the broader clean energy tax credits that were the framework’s centerpiece.

In February 2022, when talks on climate legislation in Congress seemed to be stalling, C2ES organized a business **letter** signed by many BELC members to congressional leadership calling for Congress to pass historic investment in climate and clean energy:

*“America’s ability to compete in a low-carbon global economy will be shaped by the choices we make today. As leaders in our industries, we are committed to tackling the climate crisis and are making significant investments of our own to reduce emissions and create the low- and net-zero carbon products and services that will power the global economy in the decades to come.”*





Outside the Beltway, in states and cities around the country, C2ES continued to make the case for the enormous economic opportunities in the coming low-carbon economy. Through our **regional roundtables** program, we are helping to build grass tops support for ambitious climate policy, among local, state, and federal stakeholders. Over the last year, C2ES hosted virtual dialogues “in” **West Virginia, Phoenix, Salt Lake City, and Detroit** to elevate the perspectives of a diverse set of stakeholders deeply embedded in their communities, with a focus on aligning climate and economic development objectives. Each roundtable focuses on a specific, local economic opportunity in the low-carbon transition—from electric vehicles in southeast Michigan to hydrogen in Utah, clean energy investment in Arizona, and workforce development in West Virginia—and identifies the policies and investments needed to unlock it.

### ***Providing Timely Research and Policy Analysis***

To provide the analytical underpinnings to our policy advocacy and regional convenings, C2ES continued its “Closer Look” series of deeply researched briefs focusing on key technologies, policy instruments, and cross-sectoral challenges associated with reaching net-zero greenhouse gas emissions. This year’s “Closer Looks” included deep dives into the benefits of improved **power sector infrastructure, carbon dioxide removal** development, **green banks, and digitalization.**

In 2021, the Renewable Thermal Collaborative (RTC) a joint effort from C2ES, David Gardiner and Associates, and the World Wildlife Fund, won a \$10 million prize from Lever for Change to reduce U.S. industrial emissions 30 percent and increase renewable energy use in the industrial sector by 150 percent by 2030. In September, the RTC hosted its second annual RTC Summit to bring together thermal energy buyers, technology developers and suppliers, utilities, policymakers, and others. C2ES also released a brief focused on the potential of **clean thermal heat** options—including hydrogen combustion, induction, and resistance heating—to decarbonize the industrial sector.

To better inform policymakers, sustainability professionals, and other stakeholders, C2ES hosts an ongoing series of successful, well-attended webinars. Over the last year, conversations included an event highlighting business action for the U.S.-led Leaders Summit on Climate, a Climate Week NYC virtual presentation on **carbon removal’s** role in reaching net-zero, a deep dive into the possibilities of a **national climate bank**, and additional timely climate topics.

C2ES has been a driving force behind the conversation for an economy-wide price on carbon pollution, continuing to collaborate with the **CEO Climate Dialogue** and the several C2ES business council members participating. C2ES has also partnered with the Pricing Carbon Initiative for a series of “fireside chats,” which featured Senator **Sheldon Whitehouse** of Rhode Island and **Congressman Scott Peters** of California.

### ***Companies Navigate Physical and Transitional Climate Risk***

The world is already seeing the devastating impacts of climate change, which are due to get more severe even if we are successful in rapidly cutting greenhouse gas emissions. Reflecting this reality, C2ES is engaging the insights and perspectives of business leaders to strengthen the economic competitiveness and climate resilience of the communities where they operate. In 2021, C2ES published research and conducted workshops on sound resilience policy, resulting in a **policy action plan** for federal action to accelerate community resilience.

In early 2022, C2ES’s **Foresight is 20/20** project conducted a study of current practices pertaining to climate-related scenario analysis, working with companies on assessing the risks that climate change poses to their operations and business models. Drawing on that work, C2ES developed an innovative online physical risk toolkit, designed to help companies understand the data and information available to assess their physical climate risk, that was **featured** on the EPA’s online resource on reporting corporate climate risk.





### ***Delivering on Global Ambition at COP26***

The re-entry of the United States into the Paris Agreement gave a jolt of fresh energy to the international climate negotiations. Over the course of 2021, Special Presidential Envoy for Climate Change John Kerry and other senior U.S. officials sought to re-establish U.S. leadership on climate action, making up for lost time following four years in the background.

After the COVID-19 pandemic forced the postponement of UN climate negotiations in 2020, negotiators were faced with the tasks of completing the Paris “rulebook” and Article 6, encouraging greater ambition, redirecting emphasis to implementation and delivery on pledges. Leading up to the COP26 climate conference in Glasgow, C2ES continued our successful convenings of senior climate negotiators throughout 2021—including an incisive negotiator workshop in Milan in October that helped lay the groundwork for success at COP26 in November.

In Glasgow, C2ES hosted conversations on the ground aimed at ambition **beyond COP26**, the Global Stocktake, and how C2ES business council members were taking steps to transform their voluntary pledges to real-world emissions reductions.

Over this past year, C2ES also initiated a new area of work: to promote the development of a high-integrity voluntary carbon market. This market, in which companies with voluntary climate commitments can buy credits representing verified reductions in emissions, has the potential to support the goals of the Paris Agreement by mobilizing private finance at scale into emissions reductions and sustainable green growth in developing countries—but only if those carbon credits have high environmental and social integrity. C2ES is a founding member of the Executive Secretariat of the **Integrity Council for the Voluntary Carbon Market**, launched in October 2021 to serve as a governance body for the voluntary market. With the support of panel of renowned carbon market experts and a geographically diverse board, the ICVCM is establishing Core Carbon Principles to provide a threshold standard of quality for carbon credits, providing buyers and other stakeholders with the confidence they need to scale the market.

# 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, 2021 to March 31, 2022, we welcomed new members Google and Honeywell.** 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  
Alcoa  
Amazon  
American Airlines  
APS  
Arconic  
Bank of America  
Berkshire Hathaway Energy  
BHP  
bp  
Chemours  
Constellation  
Dominion  
Dow

DTE Energy  
Duke Energy  
Eastman  
Edison International  
Entergy  
Equinor  
Exelon  
Ford  
GE  
GM  
Google  
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Honeywell  
HP Inc.

IBM  
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PSEG  
Shell International  
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Toyota  
Wells Fargo

# C2ES Funders (FY 2021–2022)

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+**

Len Baker  
Bloomberg Philanthropies  
Chicago Community Foundation  
The William and Flora Hewlett Foundation  
High Tide Foundation  
Quadrature Climate Foundation  
Sall Family Foundation  
The Bernard and Anne Spitzer Charitable Trust

## **\$100,000 to \$249,000**

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## **\$25,000 to \$99,999**

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Environmental Defense Fund  
New Zealand  
Norwegian Ministry of Climate and Environment  
Theodore Roosevelt, IV & Connie Roosevelt  
SoCalGas  
Swiss Federal Office of the Environment

## **\$10,000 to \$24,999**

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DTE  
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PSEG  
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WSP

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## **\$500 to \$2,499**

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T. Michael Twomey  
Kristen Waring  
Thelma & Mark Weiss

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



# Fiscal Year 2021–2022

April 1, 2021 – March 31, 2022

## Statement of Activities

REVENUES	
Grants and Contracts	2,285,811
BELC Membership Dues	1,149,815
Sponsorships	624,083
Contributions	2,773,796
In-kind Donations	21,116
Interest Income	1,263
Investment Income	(8,475)
Other Income	383,510
<b>TOTAL REVENUES</b>	<b>\$ 7,230,919</b>

EXPENSES	
Domestic Policy	625,038
International Policy	2,170,440
Business Innovation	2,180,623
Management and General	497,479
Fundraising	286,348
Other Expenses	(195)
<b>TOTAL EXPENSES</b>	<b>\$ 5,760,123</b>

NET ASSETS	
Change in Net Assets	1,470,796
Net Assets, Beginning of Year	2,162,795
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 3,633,591</b>

## Statement of Financial Position

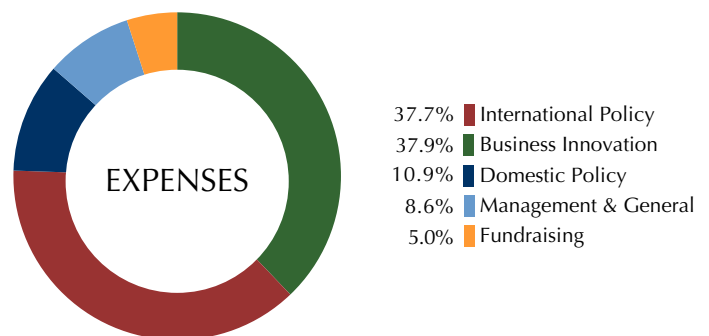
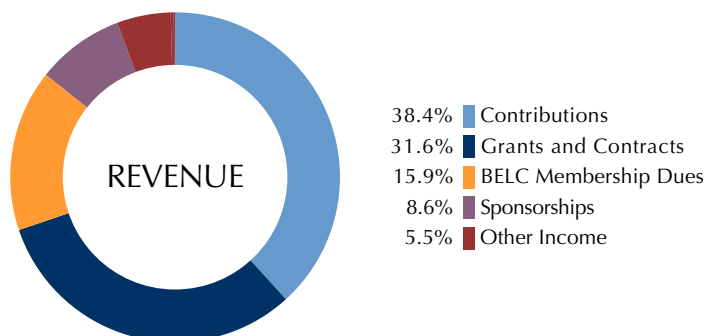
ASSETS	
Cash	4,472,663
Investments	13,405
Grants Receivable, net	122,184
Accounts Receivable, net	437,019
Prepaid Expenses	127,573
Property and Equipment, net	72,543
Deferred Compensation Investments	328,250
Deposits	177,004
<b>TOTAL ASSETS</b>	<b>\$ 5,750,641</b>

LIABILITIES	
Accounts Payable and Accrued Expenses	293,085
Payroll Liabilities	89,817
Deferred Revenue and Membership Dues	1,296,971
Deferred Rent	108,927
Deferred Compensation Obligation	328,250
<b>TOTAL LIABILITIES</b>	<b>\$ 2,117,050</b>

NET ASSETS	
Without Donor Restrictions	2,486,283
With Donor Restrictions	1,147,308
<b>TOTAL NET ASSETS</b>	<b>\$ 3,633,591</b>

Note: Net assets at the beginning of the year included funds that were reserved for FY 2021-2022.

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



Note: 'Other income,' as shown in the revenue chart, includes in-kind donations, interest income, and investment income. 'Management & General,' as shown in the expenses chart includes other expenses.



# Board of Directors as of March 31, 2022

**Theodore Roosevelt IV (Chair)**

*Managing Director, Barclays Capital*

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*Former President, Environmental Law Institute*

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*Chief Climate Change Adviser, Shell International Ltd.*

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*President, Center for Climate and Energy Solutions*

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## Join Us

**DONATE** at [www.c2es.org/support](http://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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