

## Electric Utilities Project

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Gary Steel	ABB	Switzerland
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### CONTEXT

- Given political, financial and technological changes, many countries are reviewing their long-term energy plans requiring input from the power sector. The WBCSD electricity project provides an opportunity for companies (across the power sector supply chain) to share best practices and create a comprehensive (environmental, economic & societal) and realistic view on how the energy future could be and the role of the sector.
- Recent extreme weather events (in South Africa and New York) have brought to the top of the international agenda the need to build or ensure resilient infrastructure. The project aims at providing thought leadership on how to address climate impacts and creates resilient power systems which could have an impact on new design requirements, vulnerability evaluation and legal implications.

### RECENT DEVELOPMENTS

- A CEO co-signed letter (AEP, CLP, EDF, Eskom and Statkraft) was sent to Paul Polman, private sector member of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda, on the views of the sector on the new MDGs/SGDs.
- A joint webinar was organized with F&C Investments, with the participation of WBCSD member companies, investors and Standard & Poor's. The webinar objective was to improve the understanding around water management practices in power generation and how these could influence company's valuations.
- The new work program 2013-2015 was approved at the CEO meeting in Seoul in November. Two priority areas for 2013 were identified: financing low carbon electricity and adaptation.
- The publication *Empowering stakeholders* was launched in Doha. It provides practical guidance on how power companies can improve stakeholder engagement.
- A new partnership has been created with the World Energy Council (WEC) and Global Sustainability Electricity Partnership (GSEP) to continue with the *Global Electricity Initiative*.
- The recommendations from the report on *Integrating Energy Efficiency across the power sector value chain* were presented at several international events (IEA Energy Efficiency Workshops, World Energy Outlook Roundtables and the G20 energy efficiency working group)

## OUTLOOK

- The project envisions creating a platform where CEOs regularly discuss the challenges and outcomes of vision 2050, reflecting the collective voice of business in delivering power solutions and providing policy recommendations.
- The work program 2013-2015 includes the development of the sector input to the Vision 2050 Action 2020 work, and an action plan of the key strategic issues where the power sector needs to act. These actions are structured in four large categories: mapping technology solutions; financial implications and new business models; adapting to climate change; and measuring the contribution to economic and social development. Activities on these categories could lead to the development of roadmap, tools or pilot projects and some key performance indicators. The work program will produce the following deliverables:
  - Complete a short publication that will explain the drivers for investment in low carbon technologies from the project developer, technology provider, finance corporations and Government perspectives. The report will convey policy recommendations to mitigate the risks involved in these investments.
  - Develop the following activities in the area of adaptation: a publication that describes what climate resilience means for utilities and assess company risks associated with climate change; an adaptation toolkit to help companies assess climate impact scenarios and prepare adequately; an analysis of the implications on legal frameworks and insurance costs; and create new partnerships.
- Several new partnerships have been created to leverage the project activities:
  - The partnership with the Banking Environment Initiative (BEI), hosted by the University of Cambridge's Programme for Sustainability Leadership (CPSL), aims to achieve the strategic goal of collectively directing capital towards mainstream investment in clean energy. One of the activities focuses on improving the valuation methodologies to take into account sustainable development practices. The BEI is a CEO initiative that comprises 10 international banks from Europe, China, Japan, Australia and the United States.
  - The Global Electricity Initiative will produce a report that summarizes the initiatives taken globally by electricity companies to advance sustainable development, including environmental performance, energy access and adaptation, and present the CEO vision 2050 on these issues.