



CENTER FOR CLIMATE
AND ENERGY SOLUTIONS

2019-2020 ANNUAL REPORT

About C2ES

The Center for Climate and Energy Solutions is an independent, nonpartisan, nonprofit organization working to forge practical solutions to climate change.

C2ES brings together policymakers, business leaders, and other stakeholders to advance strategies for lasting climate progress.

Our mission is to advance and advocate for policies and actions that reduce greenhouse gas emissions, promote clean energy, and strengthen resilience to climate impacts.

Our credible analysis to support strong policies has continually earned C2ES recognition as one of the world's top environmental think tanks.

Indeed, many leading companies agree. The C2ES Business Environmental Leadership Council is the largest U.S.-based group of Fortune 500 companies dedicated solely to addressing our climate challenges. And our new Climate Innovation 2050 initiative brings together dozens of top companies to work toward decarbonizing the U.S. economy.



Theodore Roosevelt IV
C2ES Board Chairman



Bob Perciasepe
C2ES President

Climate-Focused Recovery

We've always believed that a safe climate and sound economy go hand in hand. That's never been truer than right now. As policymakers and business leaders aim to preserve jobs and rehabilitate the U.S. economy, a climate-focused recovery agenda can help position us for the decarbonized future.

Restoring the Economy with Climate Solutions

C2ES has been a reliable resource to policymakers seeking strong climate policy solutions since it was formed. Capitol Hill policymakers and staff look to C2ES analysis, combined with our collaborative approach including our Business Environmental Leadership Council, for reliable views on how to tackle the climate challenge.

Shortly after the election of Joe Biden, C2ES organized a joint statement from 47 leading U.S. companies calling on the incoming President and Congress to work together to enact ambitious, durable and bipartisan climate solutions. The companies, including those from the power, automotive, tech, finance, manufacturing, chemicals, oil and gas, cement, mining, food, and retail sectors, called climate action a "business imperative."

Business voices have often proven effective in communicating the economic benefits and job opportunities in addressing the climate crisis. In 2019, C2ES joined the Environmental Defense Fund, The Nature Conservancy, and World Resource Institute to bring together the chief executives of 20 leading companies to form the CEO Climate Dialogue (CCD), advocating for an economy-wide price on carbon and policies to protect against the worst climate impacts. In September 2020, CCD CEOs called for meaningful climate legislation in meetings with twelve senators and members of congress.

Looking forward, C2ES will remain a valued resource to policymakers seeking meaningful climate solutions, whether long-term, comprehensive visions of the low-carbon economy or near-term victories that seize on immediate opportunities to eliminate climate pollution.

The Path to Net-Zero

Our Climate Innovation 2050 initiative was launched in 2018 to identify multisectoral pathways to decarbonize the U.S. economy by 2050. Under renewed American leadership, there may be greater momentum than ever to establish policies to meet that goal.

To better understand the decarbonization challenge,

C2ES in 2019 worked with companies and a team of outside experts to visualize and test different pathways for reducing U.S. emissions. The resulting report, *Pathways to 2050*, found that policy solutions would be essential to drive technology deployment and that decarbonization would be an all-in effort, requiring action by policymakers at all levels, companies, investors, and the public.

C2ES also released a comprehensive framework outlining policies needed over the next decade to put the U.S. economy on the path to net-zero by 2050. That report, *Getting to Zero: A U.S. Policy Agenda*, was the resulting policy strategy generated by close collaboration with major U.S. companies from across the economy. *Getting to Zero* outlines policies to drive innovation, mobilize finance, ensure a just transition, and advance especially critical technologies. Necessary climate investments should be dedicated to deploying solutions and infrastructure in historically marginalized and over-burdened communities.

The Climate Innovation 2050 initiative, through close collaboration with dozens of companies, is continuing to develop policy and technology priorities to decarbonize the entire U.S. economy. C2ES has held regional roundtables to elaborate the policy agenda and will be publishing a series of "Closer Look" briefs to examine sectoral, technology, and financing solutions to achieve net-zero.

Business Leadership

For more than two decades, C2ES has engaged with companies on climate solutions through its Business Environmental Leadership Council, aiming to drive both voluntary commitments and climate policy. The 38 business council companies have significant direct impact on the U.S. economy, accounting for \$6.4 trillion in market capitalization, \$3 trillion in revenue, and approximately 8 percent of total U.S. greenhouse gas emissions. The ambition for reductions among these companies is growing as they are making commitments to eliminate and offset their own emissions, address the emissions of their supply chain, and play an increasingly active role in climate policy dialogues.

Many C2ES business council companies and several others are increasingly assessing the risks and opportunities associated with climate change. C2ES has published guidance on how companies can design scenarios to learn how to navigate the transitional



and physical risks associated with climate change and on how to implement recommendations of the Task Force on Climate-related Financial Disclosure.

To highlight exceptional climate commitments, the 2020 Climate Leadership Conference and Awards in Detroit, co-hosted by C2ES and The Climate Registry, recognized leading businesses, organizations, and individuals at the frontier of climate action and innovation.

Resilient Cities and Stronger Communities

As climate impacts become more ubiquitous and costly, investors see resilient, prepared communities as better bets for long-term economic growth. Meanwhile, local climate vulnerabilities risking competitiveness have become more important to businesses, investors, insurers, and residents. C2ES's 2020 report, *The Resilience Factor: A Competitive Edge for Climate-Friendly Cities*, explores these issues and how city finances, economic development, and livability are affected by worsening climate impacts.

The Alliance for a Sustainable Future, C2ES's ongoing partnership with The U.S. Conference of Mayors, published an updated survey of how cities and mayors are leading the way on greenhouse gas reductions, sustainable communities, and improved efficiency.

Paris Re-Entry and Future Global Leadership

With COP 26 delayed and global economies strained, maintaining the focus on international commitments will be more important than ever. As it has done since the leadup to the 2015 Paris summit, C2ES continued this year to host workshops to advance the international dialogue

as world leaders prepare to enter a new phase of global commitment and rededication to emission reductions. In late 2020, the United States' incoming administration indicated it would seek to quickly re-engage on the world stage and re-enter the Paris Agreement.

Deploying Climate Technologies

Realizing our ambitious decarbonization goals will require developing and deploying climate technology solutions, as well as the investments and incentives to support them. The policies implemented in the coming decade will dictate our ability to meet the technology needs of achieving net-zero by mid-century. Technologies including carbon capture and direct air capture, battery and energy storage, widespread electric vehicle charging capability, renewable thermal technology, and advanced nuclear generation will need to be both deployable and cost competitive to complement policy frameworks.

The Renewable Thermal Collaborative, facilitated by C2ES, David Gardiner and Associates (DGA), and the World Wildlife Fund, is the global coalition for companies, institutions, and governments committed to scaling up renewable heating and cooling at their facilities. The Collaborative has set a goal of cutting industrial thermal emissions by 30 percent by 2030.

In the transportation sector, stronger efforts are needed to deploy electric vehicles and the charging infrastructure to support them. A C2ES partnership with the Retail Industry Leaders Association (RILA), DGA, and Atlas Public Policy worked closely with major retailers to examine challenges and opportunities in switching to electric trucks to move their freight.

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 group of companies devoted solely to addressing climate change. Over the past year, we welcomed new members American Airlines, Chemours, CMS Energy, Edison International, Eastman, Morgan Stanley, and Southern Company. C2ES works with these business leaders to understand and pursue the policies and technologies that will help us reach our climate goals.

Council members 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.

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American Airlines
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C2ES Funders (FY 2019–2020)

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.

\$100,000+	The Government of the Republic of Singapore	DGA	Sharon Costello
Bank of America Foundation	SoCalGas	Environmental Defense Fund	John Cruden
Bloomberg Philanthropies	United Kingdom Department for Business, Energy & Industrial Strategy	Exelon Corporation	Jessica Curran
Energy Foundation	World Bank	Fifth Third Bank	Elliot Diring & Lauren Rader
The William & Flora Hewlett Foundation	\$10,000 to \$24,999	IHS Markit	Euler-Revaz Family Foundation
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Note: This list does not include Business Environmental Leadership Council membership dues or honoraria.

Fiscal Year 2019–2020

April 1, 2019 – March 31, 2020

Statement of Activities

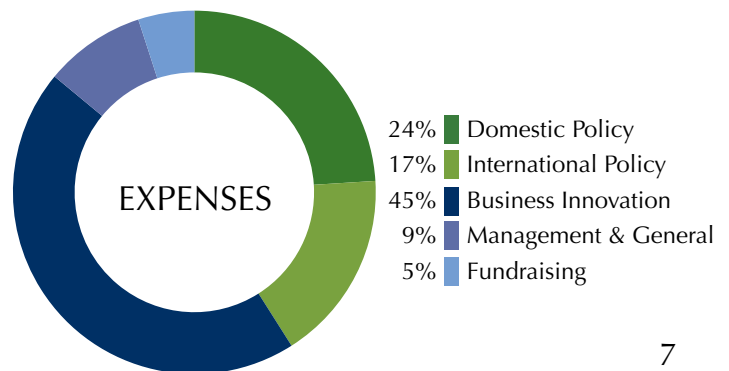
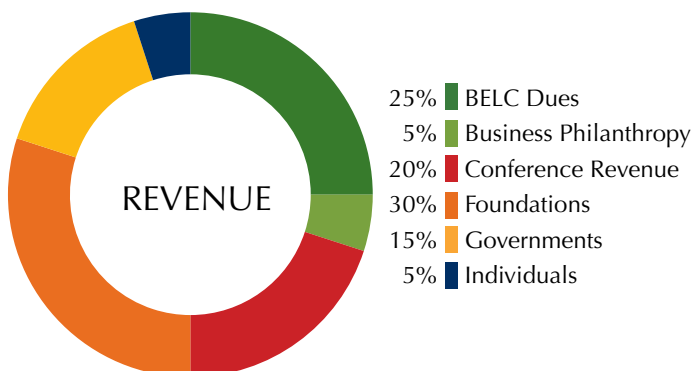
REVENUES	
Grants and Contracts	2,081,016
BELC Membership Dues	1,033,000
Conference Sponsorships	610,608
Conference Registration Income	208,406
Contributions	231,056
Interest and Other Income	18,684
Other Income	9,849
TOTAL REVENUES	4,192,619
EXPENSES	
Domestic Policy	1,151,861
International Policy	854,178
Business Innovation	2,191,456
Management and General	418,564
Fundraising	258,019
TOTAL EXPENSES	4,874,078
NET ASSETS	
Change in Net Assets	(681,459)
Net Assets, Beginning of Year	2,079,443
Net Assets, End of Year	1,397,984

Statement of Financial Position

ASSETS	
Cash	2,405,883
Grants	242,380
Accounts Receivable	144,268
Prepaid Expenses	75,951
Property and Equipment, Net	91,862
Deferred Compensation Investments	215,264
Deposits	81,488
TOTAL ASSETS	3,257,096
LIABILITIES	
Accounts Payable and Accrued Expenses	698,117
Payroll Liabilities	70,827
Deferred Membership Dues	760,001
Deferred Rent	108,075
Capital Lease, Current and Deferred	6,828
Deferred Compensation Obligation	215,264
TOTAL LIABILITIES	1,859,112
NET ASSETS	
Unrestricted	591,129
Temporarily Restricted	806,855
Total Net Assets	1,397,984

Note: Net assets at the beginning of the year included funds that were reserved for FY 2019-2020.

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.



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