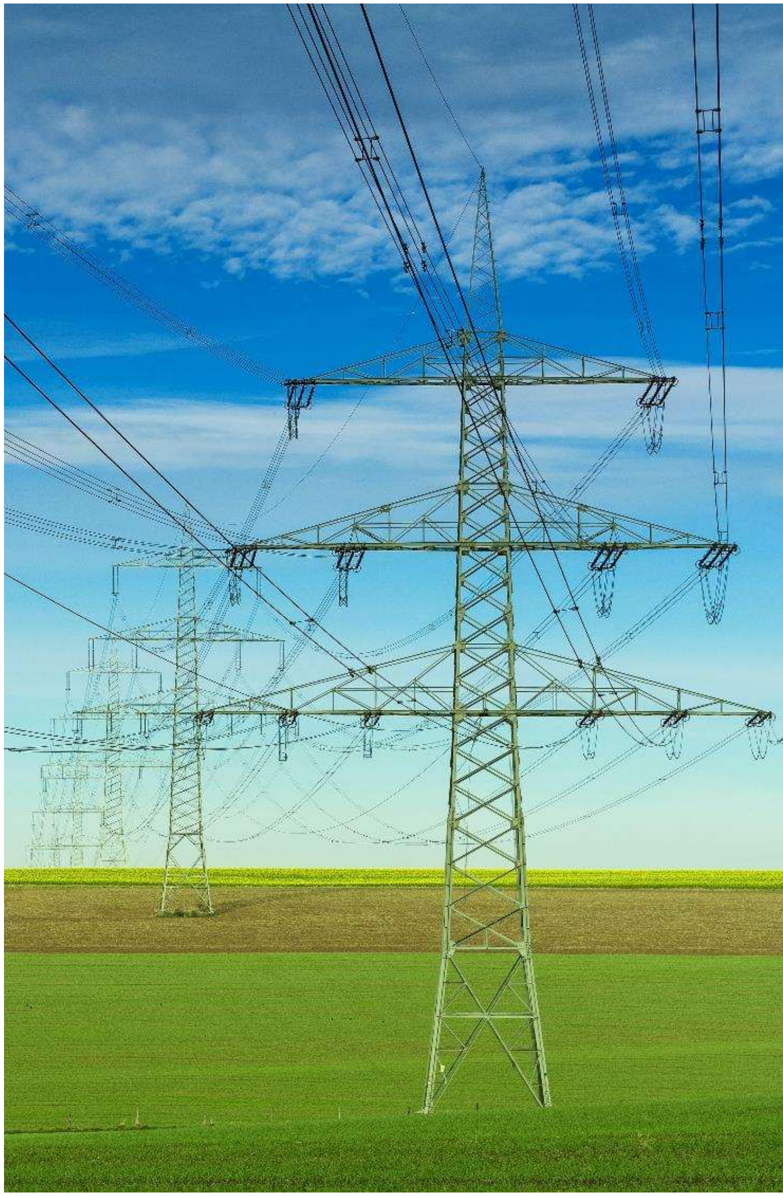
IECA



September 17, 2022

EdisonEnergy.com

Helping clients accelerate their decarbonization journey.

Our Mission

With a commitment to promoting a **sustainable**, **resilient**, and **equitable** future, Edison enables organizations to deliver on their strategic, financial, and sustainability goals by addressing today's key energy challenges: carbon, cost, complex choices, and creating energy justice across communities.

Our Service Lines

Edison By the Numbers

+5B in energy spend managed

+8GW of off-site renewable procurement

15 of the Fortune 50 are clients

250 million metric tons of CO_2e avoided from renewable energy projects*

Our Credentials

Partners with leading organizations
Gold Climate Change Consultancy Solutions Provider

Global presence
With headquarters in Irvine, CA and Amsterdam, The Netherlands
and regional locations across North and South America (including Canada), Europe, and Asia

+200 employees
And over 150 years of collective industry experience among leadership

*EPA Greenhouse Gas Equivalencies Calculator over lifetime of PPA

SEC Proposed Rule Amendments

On March 21, 2022, the U.S. SEC proposed long anticipated rule amendments – *The Enhancement and Standardization of Climate-Related Disclosures* – that would require publicly traded companies to include climate-related disclosures in public filings, such as on Form 10-K, including:

- Climate-related risks & their actual or likely material impacts on business, strategy, & outlook
- Governance of climate-related risks & relevant risk management processes
- Climate-related financial statement metrics
- Reported Scope 1 + 2 GHG emissions with assurance from a third party*
- Scope 3 GHG emissions, if *material* or if included in GHG goals*
- Information about climate-related targets & goals, and transition plan, if any

The proposed disclosures are similar to those in widely accepted and utilized disclosure frameworks, such as the TCFD

*Exemptions exist for smaller reporting companies (SRCs)

For more information:

- Overview of the New SEC Proposed Mandate on Climate Risk Disclosure – **Edison Energy Blog Post**
- SEC Enhancement and Standardization of Climate-Related Disclosures – **Fact Sheet**

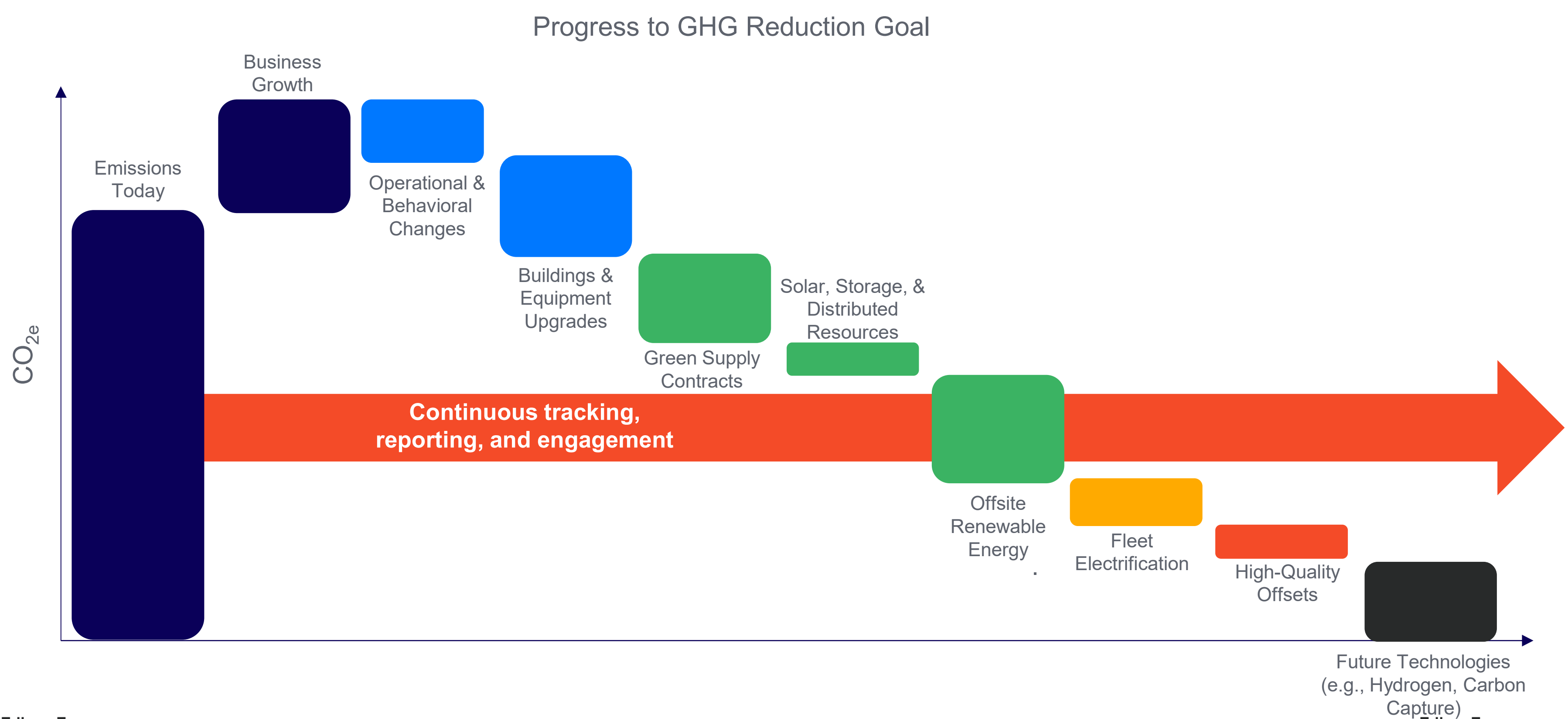
Mar 21, 2022
Proposed rule amendments released

Mar 21 – May 20, 2022
60-day public comment period (or 30 days after publication in the *Federal Register*, whichever is longer)

Summer - Fall 2022
Amendments made based on public input

Dec 2022
Assumed adoption and effective date

Edison builds customized decarbonization roadmaps for each client



Pathway Recommendation

Summary of Mitigation Options

	On-site solar	Energy conservation measures (ECMs)	Virtual Power Purchase Agreement (VPPA)	Unbundled Renewable Energy Credits (RECs)	Greenhouse Gas Offsets
Cost structure	CapEx (owned) or PPA (recurring annual)	CapEx (owned) or other	Annual variable costs for term life	Annual costs	Annual costs
Overall mitigation potential	Low	Low	High	High	Medium
Environmental impact	High	High	High	Low	Medium
Customer visibility	High	Low	Low	Low	Low
Investor visibility/ Marketing value	High	Medium	High	Low	Low
Complexity	Medium	Medium	High	Low	Low
Typical role in mitigation strategy	Physical and visual demonstration of commitment. Often reduces energy bills	ECMs are highest priority because they reduce energy use and can achieve long-term net savings	Most impactful and marketable renewable energy product; requires significant up-front effort to identify and contract	Generally perceived as less impactful, but an important bridge strategy due to near-term availability	Other than ECMs, the only near-term mitigation that can address scope 1 emissions

Thank You

Erin Williamson

Manager, Energy & Sustainability Strategy

+1 813-841-4999

Erin.williamson@edisonenergy.com

LinkedIn

EDISON energy®

Appendix

Pathways to Decarbonization: U.S. Inflation Reduction Act of 2022

August 7, 2022

The Inflation Reduction Act (IRA) of 2022 passed in the Senate by a vote of 51-50, with Vice President Kamala Harris casting the tie-breaking vote.

August 12, 2022

The IRA was passed in the Senate by a vote of 220-207.

August 16, 2022

President Biden signed the Inflation Reduction Act into law.

What's Next?

- The energy industry will transition its focus towards implementation of the Inflation Reduction Act, engaging key federal agencies, such as the Treasury Department, Department of Energy, and Environmental Protection Agency.
- Implementation timelines of key climate initiatives vary.

Pathways to Decarbonization: U.S. Inflation Reduction Act of 2022

$369 billion for climate and clean energy initiatives

Forestry: ~$2.5 billion

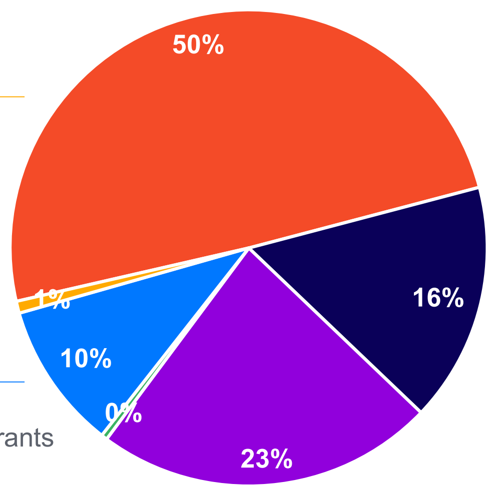
Grants for federal or non-federal lands to implement climate mitigation or forest resilience practices

Decarbonization and Emissions Reduction: ~$37 billion

Green bank, reduce methanee pollution, at ports, low carbon-grants

Methane Reduction Program: ~$1.55 billion

Incentives to monitor and reduce methane emissions from oil and gas production



Clean Energy and Transportation: ~$183 billion

Extension of EV and renewable tax credits, stand-alone energy storage, clean hydrogen

Environmental Justice: ~$60 billion

Grants to support low-income communities impacted by climate change

Domestic Manufacturing: ~$85 billion

Manufacturing tax credits and grants to accelerate clean energy and transportation supply chains in the U.S.

Payment via:

- ~$313 billion from a minimum corporate tax of 15%
- ~$288 billion from prescription drug pricing reforms
- ~$124 billion from increased tax code enforcement
- ~$74 billion from 1% tax on corporate stock buybacks

High-Level Impacts on U.S. Energy Landscape

Energy Production

- The IRA promotes increased U.S. energy production from multiple sources, including renewables, nuclear, hydrogen, and biofuels, with increased natural gas in the short to mid-term. This has the protentional to drive down costs for domestic energy overall.
- Expanded clean energy tax credits will have a large impact on long-term economic viability of projects. As the domestic supply chain expands and developers increase project pipelines, PPA prices should come down over the next 3-5 years.
- To fully realize the clean energy provisions in the IRA, increased transmission buildout will be needed. Funding in the IRA and IIJA are a start, but more expansive permitting reform would help ensure transmission expansion occurs.

Domestic Supply Chain

- With $80+ billion in domestic manufacturing investments, along with domestic material requirements, the IRA has the potential to transform the U.S. industrial landscape.
- While it will certainly take time to shift these industries to the U.S., the IRA will strengthen the domestic supply chain and reduce dependence on China in the long-term.
- This would result in less risk of interruption due to tariffs and other geopolitical issues that have plagued the energy industry in recent years, ultimately driving down costs for end consumers.

Electrification

- The IRA highly incentivizes electrification of the transportation sector and the built environment, including residential, commercial, and industrial facilities.
- Some early estimates show the IRA provisions encouraging electrification and clean energy have the potential to reduce U.S. oil demand by 2030 to well over the highest annual amounts imported from Russia.
- The effect of this will be two-fold, reducing emissions from these sectors while stabilizing energy costs that would no longer be subject to the effects of global energy markets.

U.S. Inflation Reduction Act of 2022

Standardization & Transparency of Corporate Climate Goals

- Section 60111 appropriates $5 million through FY 2031 to the Environmental Protection Agency to standardize corporate climate commitments and plans to reduce greenhouse gas emissions.
  - Increased standardization will likely lead to more consistent, comparable, and reliable information to empower investors and other stakeholders
- The EPA is also directed to increase transparency on company commitments and progress towards their stated goals.
  - Companies are facing increased scrutiny and pressure from external stakeholders, including investors, around climate commitments and disclosures or lack thereof
  - Increased standardization may drive high-quality disclosures
  - For companies making progress towards their climate commitments, increased transparency will likely lead to increased credibility

What Does This Mean for Your Company?

- Standardization of corporate commitments across U.S. agencies, like the EPA and SEC, should, in theory, **ease the disclosure process** for companies.
  - However, it remains to be seen if and how direction from the EPA will align with proposed SEC disclosure rules
- With increasing transparency, there is **greater reputation risk association with inaction** towards stated GHG goals.