



## TCB Digest for Executives

September 12, 2023

Welcome to the 9th edition of The Climate Board's Digest for Executives - a summary of key climate-related events, publications, and insights for cross-functional corporate leaders.

As you are all likely aware, [Climate Week NYC, the annual event held in partnership with the UN General Assembly, starts on Sept. 17](#). This edition of the Digest reflects various climate-related publications, statistics and investments made that will help inform international figures from business, government, civil society and the climate sector in their discussions on this global stage.

Ahead of this event, TCB is conducting a survey to better understand the real-world complexities that corporations face in achieving their near-term emissions reduction strategies - and obstacles to the use of carbon credits and offsets. If you contribute to the decisions your company makes on purchasing carbon credits, we welcome your input. It should take roughly 10 minutes and responses will be anonymous. Please reply to this email to participate - or write to us at [research@theclimateboard.com](mailto:research@theclimateboard.com).

The TCB team will be on the ground at Climate Week, so please also reach out if you want to connect in person - and we encourage you to share questions you would like to see us pursue as we garner insights from our various meetings.

### Regulatory/Disclosure Updates:

- [International Finance Corporation Invests \\$11.5 Billion for Africa's Green Transition](#) - (IFC, August 28) - The IFC, an arm of the World Bank, reported that it supplied record financing in Africa in fiscal 2023 - advancing the continent's energy transition, green manufacturing and local food production, among other initiatives. This included \$1.2 billion to support financial institutions as they expand their climate and energy sustainability lending, and \$1.1 billion to AMEA Power to build Egypt's largest wind and solar plants.
- [New United Nations Guidance Affirms Children's Right to Clean Environment](#) - (United Nations, August 28) The Committee on the Rights of the Child said that all countries have a legal obligation to safeguard children from environmental degradation. Although not legally binding, the committee's opinion was based on the Convention on the Rights of the Child - a treaty signed by every nation except the U.S.
- [Biden-Harris Administration Announces \\$15.5 Billion to Support a Strong and Just Transition to Electric Vehicles](#) (Department of Energy, August 31) - The DOE authorized \$15.5 billion in loans and grants to expand EV production in factories previously designated for traditional automaking. The investment package rewards applicants who prioritize high wages and healthy workplace environments.

## Industry-Relevant Events & News

- [Africa Climate Summit 2023](#) - September 4-6, Nairobi, Kenya
- [WSJ: The Future of Energy](#) - September 7

Our key takeaways from these two events are below the fold.

- [Heirloom and Microsoft Sign Carbon-Capture Deal](#) (September 7) - Microsoft will purchase up to 315,000 metric tons of carbon dioxide removal from [Heirloom](#), a direct air capture company that uses limestone to remove carbon from the atmosphere. Heirloom says it operates the only direct air capture facility in the U.S. that permanently stores carbon dioxide. Microsoft says it aims to become carbon negative by 2030.

## Publications

- [IMF Fossil Fuel Subsidies Data: 2023 Update](#) (International Monetary Fund, August 24) - The IMF reported that fossil fuel subsidies were \$7 trillion globally in 2022 - equivalent to about 7.1% of global GDP. The international institution said China is the largest subsidizer of fossil fuels, followed by the U.S., Russia, the EU and India. Its report recommended efficient pricing of fossil fuels to reflect supply, environmental, and other costs - positing that such reforms would reduce global carbon dioxide emissions 45% below business-as-usual levels in 2030; raise revenues worth 3.6% of global GDP; and prevent 1.6 million local air pollution deaths per year.
- [The Race to Tap Geothermal Energy](#) (NYT, August 28) - The U.S. has enough geothermal energy to power the entire country, but few sites have the right conditions for traditional geothermal plants. That's restricted this power source to just 0.4% of the country's electricity production. Experts interviewed by the NYT said advanced drilling techniques and equipment developed by the oil and gas industry can help expand geothermal energy production.
- [London is Now the World's Largest Low-Emission Zone](#) (Bloomberg, August 29) - All of the British capital is now included in an Ultra Low Emissions Zone (ULEZ), which includes a daily fee for most non-compliant (particularly old diesel) vehicles. The most recent expansion to outer London is controversial: the fee affects more car-dependent and low-income populations, though London's outer-borough residents also suffer the highest number of deaths linked to air pollution.
- [Biden to Block Oil Drilling Across Millions of Acres of Arctic Alaska](#) (Washington Post, September 6) - The Biden Administration will permanently ban oil and gas developments on 10.6 million acres of Alaska's National Petroleum Reserve (the largest expanse of public land in the U.S.) and cancel outstanding leases awarded by the Trump administration for oil exploration in the Arctic National Wildlife Refuge. This decision did not satisfy some environmentalists because neither measure will impact the Willow Project, the Alaskan project Biden controversially approved earlier this year. However, some conservation experts are pleased that the new measures will ensure long-term protections for vital wildlife. Read President Biden's statement [here](#).

- [UN-Backed Deforestation Carbon Credits Failing: Study](#) (Phys.org, August 27) - A study published in the journal *Science* found that only a small fraction of forest-based carbon credits actually prevented deforestation: only 5.4 million out of 89 million resulted in carbon reduction. (For more recent articles on controversial carbon credits and offsets, please consult the previous TCB Digest.)

### More must-reads

- Reuters (August 23) - [Comment: How contracts and AI can help companies tackle climate change in their supply chains](#)
  - Washington Post (August 24) - [GOP Presidential Candidates Blame China, Not U.S., for Climate Change](#)
  - Bloomberg Green (August 28) - [The New Playbook to Curb Wildfires](#)
  - Bloomberg Green (August 30) - [Fast-Growing Mini Forests Help Cool Down a Desert City](#)
  - Foreign Affairs (August 31) - [The Return of the Global South](#)
  - Bloomberg Green (August 31) - [World's Underpricing of Fossil Fuel Subsidies Are Indirect, and Bigger Than Ever](#)
  - Bloomberg (September 4, via Financial Post) - [Global Banks Aren't Walking the Talk on Emissions, Study Shows](#)
  - Reuters (September 5) - [Singapore to expand ocean CO2 removal project as scientists call for more research](#)
  - Politico (September 5) - [Breaking up with ESG is hard to do](#) for state-level officials
  - United Nations (September 6) - ['Climate Breakdown' Alert as Air Quality Dips During Heatwaves](#)
  - Financial Times (September 6) - [World Heat Records 'Smashed' in Northern Hemisphere Summer, Scientists Say](#)
- 

## Key Takeaways

### WSJ: Future of Energy

- Tomorrow's Energy Grid: Mary Powell, Sunrun CEO
  - The utility system is built for "slow and no" - it is highly regulated and hard to change
  - Ability to store over-generated solar energy is critical to renewable energy scaling, as the peak demand for energy does not necessarily align with peak sun
  - With renewable energy comes a greater sense of energy stability and stable energy rates
  - Sunrun is Ford's charging partner. Powell discussed this collaboration, which resulted in a home integration system that allows bidirectional charging with the electric version of the popular Ford F-150 truck platform.
- Investing in Energy's Future: Amy Francetic, Buoyant Ventures Co-Founder and Managing General Partner
  - Growing concerns about the voluntary carbon market - there need to be standards on carbon removal credits
  - AI will play an important role in the energy transition given its ability to synthesize large amounts of data (e.g., supply-chain data)

- If the U.S. administration changes in 2025, business alignment will become especially important
- Deploying New Energy Tech: David Crane, Under Secretary for Infrastructure at the Department of Energy
  - Traditionally, the Department of Energy has existed to scale projects – now, with more funding, it is creating the foundation
  - Decarbonization is private-sector led and government-catalyzed
  - The Department of Energy is trying to duplicate the success of wind and solar with hydrogen, long-duration energy storage, and carbon capture, but at a faster pace

## **Africa Climate Summit**

- [Hundreds of Millions Pledged for African Carbon Credits at Inaugural Climate Summit](#) (Reuters, September 5) – This summit in Nairobi aimed to present Africa as a destination for climate investment, rather than a victim of climate change’s impacts. The United Arab Emirates committed to purchasing \$450 million worth of carbon credits from the African Carbon Markets Initiative. However, not everyone was supportive of this purchase – protesters marched in the Kenyan capital, claiming carbon credits are an excuse for continued pollution by wealthier countries and corporations and that these groups should opt for direct compensation and debt relief.
- [African Leaders Back Global Carbon Tax to Pay for Green Energy in Poorer Nations](#) (Financial Times, September 7) – The Nairobi Declaration, signed during the Africa Climate Summit, calls for a global carbon price on fossil fuel trade, shipping, and aviation, in addition to a global financial transition tax. In line with the IMF’s recommendation that a global carbon price would be one of the most efficient and effective ways to cut emissions globally, the declaration posits that carbon pricing is crucial to ensuring accessible finance for climate-positive investments across Africa. The Nairobi Declaration will be used as a negotiating document at COP28.

**Thank you,  
The TCB Team**



September 12<sup>th</sup>, 2023