



TCB Digest for Executives

August 14th, 2023

Welcome to the 7th edition of The Climate Board's Digest for Executives – a summary of key climate-related events, publication activities, and other insights for cross-functional corporate leaders.

Recent TCB insights can be found [here](#).

Regulatory/Disclosure Updates:

- [Corporate ESG Claims to Soon Face Audits to Address Greenwashing Fears](#) (August 2) - In response to investor and stakeholder concerns over corporate disclosure reliability, the International Auditing and Assurance Standards Board (IAASB) will set forward new global audit standards. The IAASB launched its [public consultation on the standards](#), which are expected to be finalized by the end of 2024.
- [U.S. States Can Start Applying for IRA Incentive Money](#) (July 27) - The federal government started accepting states' applications to administer over \$8.5 billion in Inflation Reduction Act funding tied to expenditures on heat pumps and other high-efficiency electrical appliances. As an incentive, the Department of Energy is providing guidance on programs to distribute funding to residents; once a program is approved, the Department of Energy will allocate money for rebates. These rebates will start becoming available to consumers by the end of this year.
- [European Commission Adopts European Sustainability Reporting Standards](#) (July 31) - The final version of the EU Sustainability Reporting Standards has been approved by the European Commission and will take effect on January 1, 2024. These standards will be used by large European companies subject to the Corporate Sustainability Reporting Directive (CSRD), requiring them to report their impacts on people and the environment and how ESG issues create financial risks and opportunities.
- [U.S. DOE Announces Over \\$450 Million to Increase Access to Rooftop Solar Power in Puerto Rico](#) (July 31) - This round of financing from the Puerto Rico Energy Resilience Fund is aimed at increasing residential rooftop solar and battery storage installations, with a goal of reaching parts of the island most vulnerable to power outages.
- [Biden-Harris Administration Announces Availability of \\$115 Million in Grants to Cut Harmful Diesel Engine Emissions](#) (August 2) - The EPA is soliciting applications for projects that will significantly reduce diesel emissions. Priority for funding will be given to locations that are already overburdened by poor air quality and to applicants that demonstrate their ability to continue emissions-reduction efforts after the project has ended.
- [S&P Drops ESG Scores from Debt Ratings After Investor Confusion](#) (August 8) - S&P Global stopped publishing ESG scores with their credit ratings, citing expressions of

confusion from investors who use the platform. This change reflects the broader lack of consensus on how to assess the long-term financial impact of ESG factors.

- [California Becomes First State to Adopt Mandatory Measures in Building Code to Reduce Embodied Carbon](#) (August 4) - These new regulations for schools and commercial buildings, which are set to take effect on July 1, 2024, expand compliance paths to include thresholds for reusing existing structures, building material emissions limits, and life-cycle assessments. This marks a commitment to decarbonization across all building stages, as opposed to solely focusing on operating emissions.
- [EPRI launches initiative to ready grid for increased EV loads](#) (August 8) - In preparation for heightened grid stress as the electric vehicle market grows, the Electric Power Research Institute initiated a mapping program called EVs2Scale2030. In partnership with more than 500 stakeholders, including the Department of Energy and Amazon, this three-year project intends to provide utilities with secure EV charging infrastructure data and lays the groundwork for achieving nationwide fleet electrification goals.
- [Low-Income Communities Bonus Credit Program](#) (August 10) - In this featured piece by the U.S. Department of the Treasury, Deputy Secretary of the Treasury Wally Adeyemo discusses the low-income communities bonus credit program that was added to the IRA as section 48(e). The credit program supports the deployment of renewable energy technology to aid low-income communities. In order to be eligible for the bonus credit, applicants must be developing a small renewable energy installation in a low-income community, on Indian land, as part of affordable or public housing, or they must be providing direct financial benefits to low-income households.

Publications:

- [Heat Is Costing the U.S. Economy Billions in Lost Productivity](#) (July 31) - The economic impacts from rising temperatures are extreme: in 2021, more than 2.5 billion hours of labor were lost in U.S. agriculture, construction, manufacturing and service sectors due to heat exposure - and in 2020, the cost of lost labor to the economy was estimated at \$100 billion. There are currently no national regulations to protect workers against extreme heat in the U.S.
- [Texas Is a Look Into the Future of Driving](#) (August 7) - The state with the third-largest electric vehicle market in the U.S. is facing concerns that EVs will drain the electric grid. This article discusses potential "smart grid" updates, such as bidirectional charging, which would allow EVs to return energy to the grid - as well as the implications of increasingly frequent heat waves, which will require changes to how EVs are built.
- [Biden Says "Practically Speaking" He's Already Declared Climate Emergency](#) (August 9) - Amid a summer of extreme heat and wildfires, progressive lawmakers and activists continue to push President Biden to formally declare a climate emergency, which they argue would unlock sweeping executive powers to block crude oil exports and place restrictions on other fossil fuels. The president cited his administration's conservation of land, his decision to rejoin the Paris Agreement and \$368 billion in clean-energy provisions in the Inflation Reduction Act.
- [Climate Change Puts Sovereigns at Downgrade Risk](#) (August 6) - A British academic study simulating the economic impact of climate change on credit ratings said that the failure to curb carbon emissions globally will lead to rising debt costs for 59 nations

within the next decade, with the U.S., China, Canada, and the U.K. potentially seeing some of the largest downgrades. While ratings agencies acknowledge the susceptibility of economies to climate change, they have been hesitant to quantify these risks due to the uncertainty around the extent of the damage.

More must-reads:

- FinTech Global (August 3) - [Strategies for effective sustainability reporting](#)
 - Bloomberg (August 2) - [GOP Effort to Curb ESG Fails to Yield Concrete Results So Far](#)
 - United Nations (July 27) - [Global Climate Litigation Report](#)
 - Reuters (August 3) - [For investors, green companies still hard to find with new emissions reporting rules](#)
 - Bloomberg (August 4) - [Morgan Stanley Reaches 70% of \\$1 Trillion ESG Funding Goal](#)
 - Bloomberg (August 7) - [JPMorgan 'Trying to Lead' in Carbon Removal, Bank Says](#)
 - Financial Times (August 7) - [New generation of funds signals evolution of ESG](#)
 - ESG News (July 31) - [Kraft Heinz Announces Goal to Reduce the Use of Virgin Plastic Globally by 20 Percent by 2030](#)
 - Bloomberg (August 9) - [The Reality of ESG Is Messier Than the Stark Politics Around It](#)
 - ESG Today (August 9) - [California Launches Strategy to Scale Up Clean Hydrogen Economy](#)
 - Boston.gov (July 31) - [Mayor Michelle Wu Signs Executive Order Banning Fossil Fuels in New City-Owned Buildings](#)
 - NYT Podcast - [Lives, Livelihoods, and the High Cost of Heat](#)
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**Thank you,
The TCB Team**



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