

Industry-led Initiative Spotlight

January 2022

IN THIS ISSUE

Open Hydro: Net Zero Climate Resilient Hydropower Initiative

WBCSD: Evaluating Climate-Related Financial Impacts on Power Utilities

ICBC: Chinese-Language TCFD Report Translations



Initiative Name

Net Zero Climate Resilient Hydropower Initiative

Summary

The Net Zero Climate Resilient Hydropower is an industry-led, multi-stakeholder initiative that promotes a standardized climate-related reporting framework for hydropower assets. It aims to advance the availability and quality of climate-related information and disclosures and help mobilize climate investment to finance or refinance hydropower assets that support the water and energy systems' resilience to climate change.

Participants comprise organizations that are meaningfully engaged in developing, operating, and financing hydropower projects. The initiative uses a broad industry consultation and testing campaign, along with a stakeholder engagement program to incorporate the view of all hydropower sector stakeholders.

The initiative's key outcome is to develop a Standardised Hydropower Climate-Related Reporting method. This reporting method will enable hydropower assets to inform the financial impacts of their climate-related risks and opportunities at the project level. It also provides recommendations and guidance to assist asset owners and operators in defining their roadmap to demonstrate their contribution to climate action. The reporting method will help join global ambitions of the Race to Zero and Race to Resilience and accelerate the implementation of the Sustainable Development Goals.

The reporting method will be developed by three working groups on climate mitigation, resilience, and adaptation. The reporting will align the Task Force for Climate-related Financial Disclosure (TCFD) recommendations to project level considerations.

The climate mitigation work area seeks to align the scientific guidance and models on hydropower GHG emissions to the required reporting by international frameworks and taxonomies and investigate shadow carbon price guidance. The climate resilience work area aims to link metrics and indicators that incorporate resilience measures into financial performance. The climate adaptation work area aims to explore the financial implications of the adaptation services provided by hydropower that can benefit from transition opportunities.

Organization(s) Leading Initiative

Open Hydro

Key Objectives or Outputs

The Initiative aims to:

- Provide hydropower organizations with specific recommendations and guidance to assess their carbon footprint and plan and monitor climate change adaptation strategies at the project level.
- Propose specific metrics at the project level to align and streamline climate-related reporting of hydropower assets, assess and manage relevant climate-related risks and opportunities at the corporate level, and help translate the mitigation, resilience, and adaptation contribution into financial impact.

Industr(ies) Covered

Asset Managers, Banks, Electric Utilities, Renewable Energy, Other

TCFD Recommended Disclosures Covered

Governance	Strategy	Risk Management	Metrics and Targets
a)	a)	a)	a)
b)	b)	b)	b)
	c)	c)	c)

Links to Further Information, Outputs, or Other Resources

1. [To engage in the initiative and receive updates](#)
2. [Resources](#)
3. [Open Hydro website](#)
4. Social media: [LinkedIn](#) and [Twitter](#)



Initiative Name

Evaluating Climate-Related Financial Impacts on Power Utilities

Summary

Developed with WBCSD power-sector members in response to recommendations by the Task Force on Climate-related Financial Disclosures (TCFD), this guidance document describes how power utility businesses can develop an effective framework for and evaluate climate-related risks and opportunities.

Organization(s) Leading Initiative

Led by WBCSD and supported by Acciona, CLP, EDF, EDP, Enel, Iberdrola, and ERM.

Key Objectives or Outputs

The new guidance presents approaches and case studies for quantifying energy transition-related financial risks and opportunities in the power electric utilities sector.

Industr(ies) Covered

Power Utilities

TCFD Recommended Disclosures Covered

Governance	Strategy	Risk Management	Metrics and Targets
a)	a)	a)	a)
b)	b)	b)	b)
	c)	c)	c)

Links to Further Information, Outputs, or Other Resources

1. The report is publicly available with the press release here: [WBCSD releases new guidance for power utilities on evaluating climate-related financial impacts](#)



Initiative Name

Chinese-Language TCFD Report Translations

Summary

ICBC has undertaken an effort to translate TCFD documents into simplified Chinese. ICBC has translated five TCFD documents to date, and plans to translate additional TCFD documents as well as provide other resources to a Chinese-language audience (e.g., a Chinese-English dictionary for key climate-related terminology, information on climate risk stress testing).

Organization(s) Leading Initiative

Industrial and Commercial Bank of China

Key Objectives or Outputs

This work is intended to promote adoption and implementation of the TCFD framework in China and expand the influence and popularity of TCFD in China. ICBC has translated five documents to date: *Recommendations of the Task Force on Climate-related Financial Disclosures*, *Guidance on Risk Management Integration and Disclosure*, *Guidance on Scenario Analysis in Disclosure of Climate-Related Risks and Opportunities*, *The Use of Scenario Analysis in Disclosure of Climate-Related Risks and Opportunities*, and the *2021 Status Report*.

Industr(ies) Covered

The translations support a Chinese language audience across all industries.

TCFD Recommended Disclosures Covered

Governance	Strategy	Risk Management	Metrics and Targets
a)	a)	a)	a)
b)	b)	b)	b)
	c)	c)	c)

Links to Further Information, Outputs, or Other Resources

The translations are available on the TCFD Publications webpage as follows:

- [TCFD: Recommendation of the Task Force on Climate-related Financial Disclosures](#) (Simplified Chinese version)
- [TCFD: Guidance on Risk Management Integration and Disclosure](#) (Simplified Chinese version)
- [TCFD: Guidance on Scenario Analysis for Non-Financial Companies](#) (Simplified Chinese version)
- [TCFD: The Use of Scenario Analysis in Disclosure of Climate-Related Risks and Opportunities](#) (Simplified Chinese version)
- [TCFD: 2021 Status Report](#) (Simplified Chinese version)