Energy Sustainability Interest Group 2014

The Energy Sustainability Interest Group is the largest sustainability-focused group of its kind in the electric power industry. It provides a collaborative industry forum for electric power companies to discuss sustainability issues, improves sustainability-related risk management, decision making, and reporting, facilitates stakeholder engagement, identifies emerging sustainability issues, informs international sustainability reporting initiatives and agency discussions, and develops specific tools to advance strategic approaches to corporate sustainability.

Background, Objectives, and New Learning
Growing attention to corporate transparency, disclosure, and opportunities to improve sustainability performance are driving increasing investment and interest in related research. Financial and credit markets are increasingly using environmental and social measures as factors in valuing a company. International efforts such as the Global Reporting Initiative (GRI), Dow Jones Sustainability Indexes, and Carbon Disclosure Project have encouraged transparency on sustainability-based issues. As of June 2010, the U.S. government has mandated sustainability performance and reporting for all federal offices, and these plans are required to be updated annually. Similar federal or state requirements may soon be mandated for electric power companies.

Electric power companies face unique challenges and tradeoffs. They are expected to manage financial, environmental and social performance, while providing safe, clean, reliable and affordable power. However, power companies are not fully realizing the opportunity to optimize company decisions, inform public and stakeholder priorities, and shape future regulatory initiatives. Electric power companies can achieve enduring growth, superior long-term financial performance, and improved risk management by thoughtfully addressing sustainability issues.

Benefits
The Energy Sustainability Interest Group was launched in 2008 and currently has more than 40 members with combined assets of over $900 billion. The group collaborates regularly through twice-monthly webcasts, two workshops per year, and participation in working groups that provide guidance on technical projects. In addition to offering venues for collaboration, the webcasts and workshops have hosted guest speakers from diverse organizations such as the GRI, Patagonia, Ceres, and DuPont, among many others.

The interest group’s continuing purpose is to create business value while driving innovation and collaboration. In 2014, the group will continue advancing several technical projects, including the development of a Maturity Model that identifies categories of sustainability that companies can apply to self-assess sustainability maturity level, relevant research on “Materiality” to identify industry and stakeholder sustainability material issues, and research on reporting metrics most relevant for the industry. In addition, the...
interest group will continue to work with third-party organizations such as GRI and Sustainability Accounting Standards Board (SASB) to improve its frameworks.

**Project Approach and Summary**
In 2014, interest group members will be able to participate in 20 webcasts, which will alternate between guest speakers and discussions of technical work. The webcasts will be recorded and notes will be provided; the recordings, notes and presentations will be available to project funders. In addition, EPRI will host two in-person workshops to bring project funders together with relevant topic experts or industry groups. Topics of focus for the workshops will be prioritized by EPRI with input from interest group funders. The projects currently planned for 2014 include:

**Maturity Model**
The Maturity Model tool will identify categories of sustainability that companies can apply to self-assess sustainability maturity level, and to create a specific action plan to increase maturity, as appropriate. This tool will provide an unbiased, non-judgmental way to measure a company's current level of sustainability and identify clear future action options. Development of this model began in 2012, early pilot testing occurred in 2013, and further development will continue in 2014.

**Material Issues Research**
In 2013, the group identified 15 issues most material to the electric power industry. In 2014, EPRI will continue to use this research to inform corporate decisions and processes and reduce corporate risk around sustainability issues. The group will also work to coordinate the Maturity Model effort with the definition of material issues to provide a unique resource for strategic decision making by allowing companies to assess material sustainability priorities and how to measure them, and then determine the specific actions they can take to increase maturity in high-priority areas.

**Inform Third-Party Reporting Organizations**
EPRI intends to continue to work with third-party reporting organizations to improve questionnaires. These include GRI, the Dow Jones Sustainability Index, the International Integrated Reporting Council, and SASB.

**Identify Emerging Issues**
The group will collaborate to identify emerging issues and scope out future EPRI work that will advance sustainability.

**Deliverables**
Deliverables from this project include collaborative interactions and technical reports and updates. Planned deliverables in 2014 include:

- Two workshops to interface with other interest group members and explore topics prioritized by members
- Twice-monthly webcasts to discuss technical work and learn from and interact with invited speakers
- Quarterly summaries of the group’s activities as well as a summary of all 2013 accomplishments
- Technical updates and reports on projects as appropriate

**Price of Project**
The price to participate in this project is $20,000. Companies that fund any EPRI program can use Tailored Collaboration (TC) funds for up to half their contribution or Self Directed Funds (SDF) to fund this opportunity.

**Project Status and Schedule**
The Energy Sustainability Interest Group is an ongoing project with annual renewal.

**Who Should Join**
Any company that has included or is planning to include sustainability in its business strategy will benefit from the collaborative opportunities and technical work being performed by the Energy Sustainability Interest Group.

**Contact Information**
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