

Carbon Management Insights

Holistic Carbon Management: Challenges & Opportunities
Are You Prepared?

June 11th, 2010



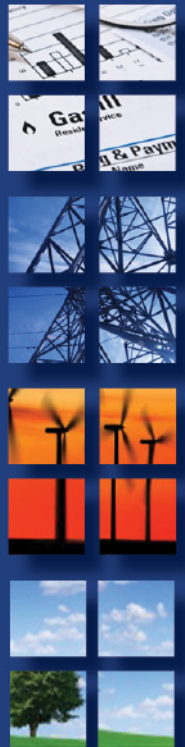
Introduction

- Enacted or proposed legislation:
 - US Federal Legislation
 - US and Canadian Regional Initiatives
 - Provincial Legislation
- CFERF Study - The CFO is well positioned to take the lead in response to the challenges of future carbon legislation:
 - Reporting and Disclosure
 - Financial and Risk Impacts
- How does a CFO prepare for this challenge?



Overview

- Two basic forms of regulatory compliance:
 - Short-term: Reporting and Disclosure
 - Long-term: Active Carbon Management



Uncertainty Abounds

“When it comes to carbon management, survey results suggest that many financial executives could benefit from a deeper understanding of the current and evolving regulatory environment in Canada and the United States.” - 2010 CFERF Holistic Carbon Management Study

■Canada

- GHG Reduction Act, 2008 (British Columbia)
- Alberta Cap and Trade
- Bill 185, Environmental Protection Amendment Act (Ontario)
- OSC Regulations

■US

- Waxman – Markey “American Clean Energy and Security Act of 2009”
- Cantwell – Cap and Dividend

■Regional

- Western Climate Initiative
- RGGI



Removing Uncertainty

- The CFO is positioned to mobilize the necessary resources to prepare for carbon management

“Carbon management is clearly more of concern to high emitting companies where the risks associated with non-compliance and overall carbon performance are significantly higher than for low emitters.” 2010 CFERF Holistic Carbon Management Study

- What can be done?



Being Prepared

Waiting for carbon legislation to arrive before preparing is too late:

- Understand the regulatory and market landscape from a functional and directional perspective
- Align the appropriate resources and responsibility for both compliance reporting and carbon management
- Ensure a robust data collection and organization scheme
- Provide clear and consistent KPIs upon which to measure
- Long-term: Entrench carbon management practices into core business processes to ensure long-term risk mitigation



Conclusion

- Holistic carbon management will affect us all
- Benefits exist beyond compliance
- Questions to ask yourself
 - Is there ownership for carbon management in my organization?
 - Are financial impacts considered in making decisions related to carbon management?
 - Data? Where is it? Who owns it? How can we add value to it?



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