SMARTargets

A Methodology for Grounded and Actionable Climate Targets Aligned with Global Goals

SMARTARGETS REPORTING TEMPLATE

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SMARTARGETS REPORTING TEMPLATE

Welcome to the SMARTargets™ Methodology Reporting Template. In implementing the methodology, a company will undertake three communications activities:

1. **Documenting Implementation:** The company needs to document its implementation of the SMARTargets Methodology using this template. The template is a reporting tool for ensuring a minimum and standardized set of information and output from the methodology. The template is also critical for providing transparency by documenting implementation choices, inputs, and insights, as well as justification for the targets and strategies the company is pursuing. The template is a key resource for informing investors and other stakeholders, as well as the key input to validation activities (discussed next).

2. **Validating Implementation:** A company will need to validate its SMARTargets implementation and document the validation. The internal and third-party validation processes discussed in the main SMARTargets Methodology document will use this template as their primary input. As discussed in the main document, internal validation is required and third-party validation should be considered once accredited, independent third-party validation services become available. Validation activities will produce an opinion on the assessment of conformity with the methodology and thus a validation result. After concluding the validation process, internal or third-party, the company will need to publicly communicate their SMARTargets implementation, including targets and strategies, and their validation.

3. **Tracking Progress and Verification:** A company will need to track and verify progress towards meeting its targets. This template will be an input to that activity. Using their latest GHG inventory, and this template, a company will need to evaluate progress towards their SMARTargets, including discussing emissions changes, milestones, shifts in strategies, adoption of contingency plans as needed, progress on enabling conditions, opportunities for greater ambition, and other things that might affect the likelihood of achieving their targets. That evaluation should be verified using internal verification for now and consider third-party verification in the future once the services are available.

This template will help facilitate an efficient and productive implementation of the SMARTargets Methodology. For implementation guidance and examples, refer to the methodology documentation and appendices: *SMARTargets Methodology*, *Appendix A: Key Emission Sources By Scope And Category For Electric and Gas Utilities,* and *Appendix B: Illustrative Methodology Implementation Examples*. For questions or additional support, please contact the SMARTargets development team: smartargets@epri.com. We are here to help you.

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COMPANY INFORMATION

Provide company information and note the team involved in the SMARTargets implementation, as well as other engagement. During the validation process, the validator might request interviews with individuals within the listed business units.

Table 1. General company identification

Company Name	
Point of contact	
Email for correspondence	
Type of utility	(e.g., Electric, Gas, T&D, Combined)
Address	
City	
State/Province	
Postal Zip Code	
Country	
Indication of those responsible for approving SMARTargets	
Indication of those responsible for coordinating the methodology implementation	

Table 2. Company implementation team

Table note: Team should be listed by function, not by individual (e.g., resource planning).

Business Unit	Role in SMARTargets methodology implementation

Table 3. External stakeholder engagement

Table note: Stakeholders should be listed by organization, not by individual.

Organization	Description of the engagement

Table 4. Experts, consultants, and other support

Table note: List by organization, not by individual.

Organization	Description of the engagement

STEP 1. GHG INVENTORIES AND BASE YEAR

Document information on the company's GHG inventory, emissions trends, and base year. Supporting documentation and graphics can be included to help communicate past emissions, trends, and drivers.

Table 5. GHG emissions inventory methodology, third-party verification, and base year

GHG Inventory Methodology, Verification, and Base Year
Protocol or Methodology Used to Prepare GHG Emissions Inventory (e.g., GHG Protocol, ISO 14064, other):
Year of the most recent verified inventory:
Base year for SMARTargets:
Rationale for base year selection:
Provide documentation of third-party verification of the MOST RECENT GHG inventory and, as helpful, a summary of relevant findings to better understand the GHG targets. Documentation should be attached as supporting material. Third-party verification of the MOST RECENT inventory is required, with a minimum reasonable level of assurance required.
Provide documentation of third-party verification of the BASE YEAR GHG inventory and, as helpful, a summary of relevant findings to better understand the GHG targets. Documentation should be attached as supporting material. Third-party verification of the BASE YEAR inventory is required, with a minimum reasonable level of assurance required.

Table 6. Emissions trends

Emissions Trends
Describe emissions trends relative to the base year, including the most recent inventory year. Include as many historical years as you have consistent emissions data (before and after the base year). Consider including graphs to illustrate the trends.

Table 7a. Summary information on the GHG inventory for the base year and most recent year verified for emissions categories SMARTargets requires utilities to consider

Table note: Table currently structured according to GHG Protocol inventory categories. If a different inventory approach is indicated above, the table can be respecified to match the approach's structure but being sure to capture the minimum required emission sources (See Annex B).

Emissions Category	Base Year	Most Recent Year X
	CO_2e emissions, Mtonnes	
Scope 1: Direct Emissions from Owned/Controlled Operations		
Direct Emissions from Stationary Combustion		
Direct Emissions from Mobile Combustion		

Direct Emissions from Process Sources		
Direct Emissions from Fugitive Sources		
Scope 2: Indirect Emissions from the Use of Purchased/Acquired Electricity, Steam, Heating and Cooling		
Indirect Emissions from Purchased/Acquired Electricity		
Indirect Emissions from Purchased/Acquired Steam		
Indirect Emissions from Purchased/Acquired Heating		
Indirect Emissions from Purchased/Acquired Cooling		
Scope 3. Upstream		
Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)		
Scope 3 Downstream		
Category 11: Use of sold products		
Total Scope 1 Emissions		
Total Scope 2 Emissions		
Total Scope 3 Emissions		

Table 7b. Summary information on the GHG inventory for the base year and most recent year verified for other emission categories (OPTIONAL)

Table note: Table currently structured according to GHG Protocol inventory categories. If a different inventory approach is indicated above, the table can be respecified to match the approach's structure.

Emissions Category	Base Year	Most Recent Year X
	CO_2e emissions, Mtonnes	
Scope 3. Upstream		
Category 1: Purchased goods and services		
Category 2: Capital goods		
Category 4: Upstream transportation and distribution		
Category 5: Waste generated in operations		
Category 6: Business travel		
Category 7: Employee commuting		
Category 8: Upstream leased assets		
Other		
Scope 3 Downstream		
Category 9: Downstream transportation and distribution		

Category 10: Processing of sold products		
Category 12: End-of-life treatment of sold products		
Category 13: Downstream leased assets		
Category 14: Franchises		
Category 15: Investments		
Other		
Total Scope 3 Emissions		

STEP 2. PRACTICAL ISSUES AND CLIMATE TARGET GROUPINGS

Report responses to each of the target setting practical consideration questions and include justification for each response. Document the overall decision and justification regarding pursuing a target for each category. Also, indicate climate target groupings for evaluation by mapping each category into a grouping—category, GHG, and/or across GHG and category.

Table 8. Target setting practical considerations

Table note: To be completed for each required emissions category.

Question	Yes or No	Justification
Is the emissions category adequately estimated and reported?		
Are the emissions material to your GHG accounts (e.g. above 5% of total emissions or your defined materiality threshold)?		
Are the category's emissions regulated by a Paris Agreement aligned policy?		
Does the source have a SMARTarget or other science and Paris agreement aligned target?		
Do you have sufficient control or influence over the emissions?		

After documenting the responses, the company should complete the summary table below and, for each category, document whether they are (1) setting a SMARTarget, (2) not setting a target because the emissions are already covered by Paris Agreement aligned policy or another company's targets, (3) not setting a target with justification based on the practical considerations, or (4) not setting a target because the category is not relevant to their business. The company should also indicate their progressive SMARTargets plans by indicating which emissions categories are covered by current SMARTargets and which will be covered by future SMARTargets. For emissions not covered due to practical considerations and future SMARTargets, the company should communicate plans, as possible, for addressing the practical issue and developing future SMARTargets.

Table 9. Emissions category targets

Table note: Table currently structured according to GHG Protocol inventory categories. If a different inventory approach is indicated above, the table can be respecified to match the approach's structure but being sure to capture the minimum required categories.

Emissions category	GHG total ($MtCO_2e$ or NA if not relevant to business)	Currently covered				To be covered by future Company SMARTargets ($MtCO_2e$)	Not Covered ($MtCO_2e$)	Justification (and, as relevant, plans for not covered emissions and future targets)
		By Our Current Company SMARTargets ($MtCO_2e$)	SMARTarget type (indicate if target for category, GHG, or CO_2e)	By Paris Agreement Aligned Regulation ($MtCO_2e$)	By Another Company's Paris Agreement Aligned Targets ($MtCO_2e$)			
Scope 1. Direct Emissions from Stationary Combustion								
Scope 1. Direct Emissions from Mobile Combustion								
Scope 1. Direct Emissions from Process Sources								
Scope 1. Direct Emissions from Fugitive Sources								
Scope 2. Indirect Emissions from Purchased/Acquired Electricity								
Scope 2. Indirect Emissions from Purchased/Acquired Steam								
Scope 2. Indirect Emissions from Purchased/Acquired Heating								
Scope 2. Indirect Emissions from Purchased/Acquired Cooling								
Scope 3. Fuel- and energy-related activities (not included in scope 1 or 2)								
Scope 3. Use of sold products								

STEP 3. ASPIRATIONAL CLIMATE TARGETS ALIGNED WITH INTERNATIONAL GOALS

Summarize the SMARTargets' Aspirational Targets that will be evaluated and pursued. In the table below, the company enters the relevant Aspirational Targets from Table 6 of the SMARTargets Methodology document based on the company's target groupings indicated in Step 2. The other information (e.g., GHG type, emissions, target grouping) is simply drawn from the previous table. The Aspirational Targets should be at least as rapid as those in Table 6 of the methodology document.

Table 10. Aspirational targets considered

Table note: Table currently structured according to GHG Protocol inventory categories. If a different inventory approach is indicated above, the table can be respecified to match the approach's structure but being sure to capture the minimum required categories.

Emissions category	GHG type (CO_2, CH_4, or SF_6)	Base year emissions ($MtCO_2e$)	Most recent year inventory emissions ($MtCO_2e$)	SMARTarget grouping (indicate if target for category, GHG, or CO_2e)	Aspirational Targets (percent reductions from Methodology document Table 6)		
					Required interim year – 2030 or 2035 (enter year & % reduction)	Optional other interim year(s) (enter year & % reduction)	2050
Scope 1. Direct Emissions from Stationary Combustion							
Scope 1. Direct Emissions from Mobile Combustion							
Scope 1. Direct Emissions from Process Sources							
Scope 1. Direct Emissions from Fugitive Sources							
Scope 2. Indirect Emissions from Purchased/Acquired Electricity							
Scope 2. Indirect Emissions from Purchased/Acquired Steam							
Scope 2. Indirect Emissions from Purchased/Acquired Heating							
Scope 2. Indirect Emissions from Purchased/Acquired Cooling							
Scope 3. Fuel- and energy-related activities (not included in scope 1 or 2)							
Scope 3. Use of sold products							
The targets above are a percent reduction from <ENTER BASE YEAR> and the same base year was applied to the global pathways from which the Aspirational Targets were derived.							

STEP 4. COMPANY TRANSITION RISK ANALYSIS OF OPPORTUNITIES AND RISKS

Document implementation and completion of the seven phases of the company-tailored transition risk analysis.

Table 11. Modeling requirements and capability

Modeling capabilities	
What type of modeling approach was used – economy-wide or utility planning?	Enter economy-wide or utility planning modeling?
Does the modeling approach meet the minimum required capabilities for the respective approach?	Summarize model capabilities with respect to the minimum required capabilities. For the minimum requirements, see the SMARTargets Methodology Section 4 introduction.
If a utility planning model was used, was external information used to evaluate uncertainties in broader economy-wide factors that affect exogenous market and system assumptions in your planning modeling?	If yes, describe which exogenous assumptions were varied, the alternative assumptions used, and the information sources informing the assumptions.
Was integrated modeling used?	If yes, describe the integrated modeling approach.
Summarize modeling scope	Summarize what the modeling framework captures and does not capture in terms of system and market dynamics and interactions.

Phase 1. Define reference conditions and itemize uncertainties (decarbonization incentives, options, and other)

Summarize the reference conditions identified that will be included in every transition future evaluated.

Table 12. Transition reference conditions

Table note: Current entries in table are examples of categories of reference conditions. Companies should modify as needed.

Reference Conditions
Planned additions and retirements
Local policies
Other

Provide the list of uncertain factors identified for consideration in scenario design.

Table 13. Low-emissions transition uncertainties – incentives and options

Incentives and Options
Incentives
Options
Neighbor's policies (incentives and options)

Table 14. Other transition uncertainties

Other Uncertainties
Markets
Technology
Supporting infrastructure
Other (please specify)

Phase 2. Create core scenario design – potential plausible, extreme future sets of decarbonization conditions

Document the company's scenario design based on their Phase 1 reference conditions and itemized uncertain factors. In this step, the uncertain factors are combined into plausible, but extreme, alternative sets of decarbonization conditions for the target evaluation core scenarios. Specifically, the company will document their definitions for the Fuller/More Limited and Facilitating/Challenging sets of conditions, as well as the scenarios they ran.

Scenarios Evaluated

In the appropriate table below, indicate the scenarios evaluated—required, additional recommended, and optional sensitivity scenarios. For the optional sensitivity scenarios, list each additional scenario individually. For all scenarios, use the "Notes" field to document details and modifications, such as if Aspirational Targets greater than required were modeled and the specific X, Y and Z% reduction levels evaluated to identify Qualified Targets.

Table 15. Scenarios for electricity supply utility emissions target evaluation

Required, recommended, optional?	Target type being evaluated	Target pathway	Economy-wide transition to net-zero in 2050	Decarbonization options	Other conditions	Indicate with an "X" whether this scenario was run	Notes (e.g., other target year, X, Y, Z% reduction levels)
Reference	Reference (without CO_2 constraint)	No	N/A	N/A	Facilitating		
	Reference (without CO_2 constraint)	No	N/A	N/A	Challenging		
Required	Aspirational Targets (net CO_2 ATs and QTs > ATs in absolute value)	Power sector transition to net-zero CO_2 in 2050	No	Fuller	Facilitating		
		Power sector transition to net-zero CO_2 in 2050	No	More Limited	Challenging		
		Power sector transition to net-zero CO_2 in 2050	Yes	Fuller	Facilitating		
		Power sector transition to net-zero CO_2 in 2050	Yes	More Limited	Challenging		
	Qualified Targets (net CO_2 QTs < ATs in absolute value)	Power sector net CO_2 transition to X, Y, and Z% in 2050	No	Fuller	Facilitating		
		Power sector net CO_2 transition to X, Y, and Z% in 2050	No	More Limited	Challenging		
Additional recommended	Aspirational Targets (net CO_2 ATs and QTs > ATs in absolute value)	Power sector transition to net-zero CO_2 in 2050	No	Fuller	Challenging		
		Power sector transition to net-zero CO_2 in 2050	No	More Limited	Facilitating		
		Power sector transition to net-zero CO_2 in 2050	Yes	Fuller	Challenging		
		Power sector transition to net-zero CO_2 in 2050	Yes	More Limited	Facilitating		
	Qualified Targets	Power sector net CO_2 transition to X, Y, and Z% in 2050	No	Fuller	Challenging		

	(net CO_2 QTs < ATs in absolute value)	Power sector net CO_2 transition to X, Y, and Z% in 2050	No	More Limited	Facilitating		
Optional sensitivities	Please specify each optional sensitivity scenario evaluated						

Table 16. Scenarios for transmission and distribution utility emissions target evaluation

Required, recommended, optional?	Target pathway type being evaluated	2050 targets for pathways	Electric sector transition	Economy-wide transition to net-zero in 2050	Decarbonization options	Other conditions	Indicate with an "X" whether this scenario was run	Notes (e.g., other target year, X, Y, Z% reduction levels)
Required	Aspirational Targets (SF_6 & net CO_2 ATs and QTs > ATs in absolute value)	SF_6 52% & net CO_2 100%	Reference (without CO_2 constraint)	No	N/A	Facilitating		
			Reference (without CO_2 constraining)	No	N/A	Challenging		
			Transition to net-zero CO_2 in 2050	No	Fuller	Facilitating		
			Transition to net-zero CO_2 in 2050	No	More Limited	Challenging		
			Transition to net-zero CO_2 in 2050	Yes	Fuller	Facilitating		
			Transition to net-zero CO_2 in 2050	Yes	More Limited	Challenging		
	Qualified Targets (SF_6 & net CO_2 QTs < ATs in absolute value)	SF_6 A, B, C% in 2050 & net CO_2 X, Y, Z% in 2050	Reference (without CO_2 constraint)	No	N/A	Facilitating		
			Reference (without CO_2 constraining)	No	N/A	Challenging		
			Transition to net-zero CO_2 in 2050	No	Fuller	Facilitating		
			Transition to net-zero CO_2 in 2050	No	More Limited	Challenging		
			Transition to net-zero CO_2 in 2050	Yes	Fuller	Facilitating		
			Transition to net-zero CO_2 in 2050	Yes	More Limited	Challenging		

Additional recommended	Aspirational Targets (SF_6 & net CO_2 and QT > ATs in absolute value)	SF_6 52% & net CO_2 100%	Transition to net-zero CO_2 in 2050	No	Fuller	Challenging		
			Transition to net-zero CO_2 in 2050	No	More Limited	Facilitating		
			Transition to net-zero CO_2 in 2050	Yes	Fuller	Challenging		
			Transition to net-zero CO_2 in 2050	Yes	More Limited	Facilitating		
	Qualified Targets (SF_6 & net CO_2 QT < ATs in absolute value)	SF_6 A,B, C% & net CO_2 X, Y, Z%	Transition to net-zero CO_2 in 2050	No	Fuller	Challenging		
			Transition to net-zero CO_2 in 2050	No	More Limited	Facilitating		
			Transition to net-zero CO_2 in 2050	Yes	Fuller	Challenging		
			Transition to net-zero CO_2 in 2050	Yes	More Limited	Facilitating		
Optional sensitivities	Please specify each optional sensitivity scenario evaluated							

Table 17. Scenarios for gas utility emissions target evaluation

Required, recommended, optional?	Target pathway type being evaluated	2050 targets for pathways	Electric sector transition	Economy-wide transition to net-zero in 2050	Decarbonization options	Other conditions	Indicate with an "X" whether this scenario was run	Notes (e.g., other target year, X, Y, Z% reduction levels)
Required	Aspirational Targets (CH_4 & net CO_2 ATs and QTs > ATs in absolute value)	CH_4 47% & net CO_2 100%	Reference (without CO_2 constraint)	No	N/A	Facilitating		
			Reference (without CO_2 constraint)	No	N/A	Challenging		
			Transition to net-zero CO_2 in 2050	No	Fuller	Facilitating		
			Transition to net-zero CO_2 in 2050	No	More Limited	Challenging		
			Transition to net-zero CO_2 in 2050	Yes	Fuller	Facilitating		

			Transition to net-zero CO_2 in 2050	Yes	More Limited	Challenging		
	Qualified Targets (CH_4 & net CO_2 QTs < ATs in absolute value)	CH_4 A, B, C% in 2050 & net CO_2 X, Y, Z% in 2050	Reference (without CO_2 constraint)	No	N/A	Facilitating		
			Reference (without CO_2 constraint)	No	N/A	Challenging		
			Transition to net-zero CO_2 in 2050	No	Fuller	Facilitating		
			Transition to net-zero CO_2 in 2050	No	More Limited	Challenging		
			Transition to net-zero CO_2 in 2050	Yes	Fuller	Facilitating		
			Transition to net-zero CO_2 in 2050	Yes	More Limited	Challenging		
Additional recommended	Additional Targets (CH_4 & net CO_2 Ats and QT > ATs in absolute value)	CH_4 47% & net CO_2 100%	Transition to net-zero CO_2 in 2050	No	Fuller	Challenging		
			Transition to net-zero CO_2 in 2050	No	More Limited	Facilitating		
			Transition to net-zero CO_2 in 2050	Yes	Fuller	Challenging		
			Transition to net-zero CO_2 in 2050	Yes	More Limited	Facilitating		
	Qualified Targets (CH_4 & net CO_2 QT< ATs in absolute value)	CH_4 A, B, C % & Net CO_2 X, Y, Z%	Transition to net-zero CO_2 in 2050	No	Fuller	Challenging		
			Transition to net-zero CO_2 in 2050	No	More Limited	Facilitating		
			Transition to net-zero CO_2 in 2050	Yes	Fuller	Challenging		
			Transition to net-zero CO_2 in 2050	Yes	More Limited	Facilitating		
Optional sensitivities	Please specify each optional sensitivity scenario evaluated							

Definitions of Fuller/More Limited and Facilitating/Challenging conditions

Document the Fuller/More limited alternative decarbonization options and Facilitating/Challenging alternative other conditions used. The alternative definitions should be intentionally extreme. For the decarbonization options, the company should define a relatively optimistic set of options for “Fuller” and a relatively pessimistic set of options for “More Limited." For the alternative other conditions, Facilitating/Challenging, the company should define a set of conditions that could facilitate a relatively less challenging transition versus a relatively more challenging transition. Adjectives, such as faster/slower, lower/higher, and economic/constrained should be used to qualitatively differentiate the Facilitating and Challenging conditions. See the Phase 2 SMARTargets Methodology discussion for examples. Quantitative specifications for the definitions will be documented below for Phase 3.

Table 18. Definitions for the Fuller/More limited set of decarbonization options and the Facilitating/Challenging other conditions

Fuller / More limited decarbonization options	Facilitating / More Challenging Other Conditions
Fuller decarbonization set	**Facilitating other conditions**
More limited decarbonization set	**Challenging other conditions**

Phase 3: Implement scenario design – specifying alternative assumptions for modeling

To model the scenario design created in Phase 2, the company needs to translate the alternative qualitative conditions into quantitative modeling assumption specifications. The specifications should be documented in the tables below. For examples, see the Phase 3 discussion in the SMARTargets Methodology.

Table 19. Modeling assumption specifications – decarbonization and other technology options

Technology Options Specifications		
Decarbonization technology cost and performance	**Description**	**Source**
Example: Renewables (wind, solar, bio, hydro), nuclear, advanced nuclear, coal, coal w/ CCS, gas, gas w/ CCS, CDR (biopower w/ CCS, DAC), storage, hydrogen	*Example: Engineering-based cost and performance specifications with gradual improvement over time*	*Example: EPRI (2022b)*
Add rows as needed…		

Table 20. Modeling assumption specifications – Facilitating and Challenging other conditions

Facilitating and Challenging Other Condition Specifications		
Other conditions	**Facilitating**	**Challenging**
Example: Electricity load growth	*Example: Reference = load growth due to reference economic and population growth assumptions and electrification due to electric technology relative cost improvements*	*Example: Faster = reference load growth conditions plus additional data center load growth based on recent trends resulting in 12% greater total load by 2030 (EPRI, 2024)*
Add rows as needed…		

Phase 4-6: Identify potential transitions and target implications (Phase 4); Review potential transitions and target implications (Phase 5); Revise and iterate as needed (Phase 6)

The documentation requirement for Phases 4-6 is to note that they were completed. This is done in Phase 7 where the company confirms that all seven phases were completed. Steps 4-6 are intermediate steps that are iterating on draft results and insights. SMARTargets requires documenting the final modeling results and insights in Phase 7 once iterations are complete. Draft scenario design, implementation, results, and insights are confidential and deliberative and documenting them can be confusing and misleading to audiences that are non-technical and that have not been intimately engaged in the development process.

Phase 7: Communicate results – targets, transitions, risks, enabling conditions, risk management

Document transition risk analysis outputs and insights, Aspirational and Qualified Targets and associated conditions, and transition possibilities, insights, risks, and strategies. The key output indicators are required, but a company may add additional results in any category. Companies are encouraged to include graphics (figures and tables) and narratives highlighting important insights from the modeling results that support their targets, identified enabling conditions, and strategies.

Key output indicators

Companies should report key transition outputs from their Step 4 transition risk analysis. Companies can present those results using figures and tables as part of the narrative provided. Below, the company should indicate that the required outputs have been provided. The validator will assess that the information has been provided, as well as the reasonableness of the insights and conclusions based on the reasonableness of the assumptions and modeling. Additional variables can also be reported. The list below represents the minimum key output indicators identified in the Methodology.

Transition Risk Analysis Completion

Confirm completion of the seven phases.

Table 21. Confirmation of completion of the phases

Step 4 Transition Risk Analysis Phases Completion Confirmation		
Phase	**Description**	**Confirmation (enter "X" for each completed step)**
1	Define reference conditions and itemize uncertainties	
2	Create core scenario design	
3	Implement scenario design	
4	Identify potential transitions and target implications	

5	Review potential transitions and target implications	
6	Revise and iterate as needed	
7	Communicate results	

Table 22. Key output indicators for electric utilities

Table note: Please revise and indicate the monetary units as appropriate to the company.

Key Output Indicators for Electric Utilities		
		Check the box if you reported this information:
Affordability	**Unit**	
Electricity prices	$/kWh	☐
Costs	$	☐
Investments	$	☐
System Flexibility and Reliability		
Generation levels	GWh	☐
Generation mix	MW	
Generation capacity additions	MW	☐
Generation capacity retirements	MW	☐
Electricity transmission utilization	MWh	☐
Electricity transmission capacity additions	MW	☐
Electricity demand	MWh	☐
Fuel use	MBTU	☐
GHG Emissions		
CO_2	$MtCO_2$	☐
Non-CO_2 gases (in CO_2e)	$MtCO_2e$	☐

Table 23. Key output indicators for transmission and distribution utilities

Table note: Please revise and indicate the monetary units as appropriate to the company.

Key Output Indicators for Transmission and Distribution Utilities		
		Check the box if you reported this information:
Affordability	**Unit**	
Electricity prices and/or T&D rates	$/kWh or $/MW-yr	☐
Costs	$	☐
Investments	$	☐
System Flexibility and Reliability		
Electricity demand, i.e., load (aggregated, disaggregated)	MWh	☐
Transmission and distribution flows	MWh	☐
Inter-regional imported and exported power	MWh	☐
Transmission and distribution capacity expansion	MW	☐
GHG Emissions		
CO_2	$MtCO_2$	☐
Non-CO_2 gases (in CO_2e)	$MtCO_2e$	☐

Table 24. Key output indicators for gas utilities

Table note: Please revise and indicate the monetary units as appropriate to the company.

Key Output Indicators for Gas Utilities		
		Check the box if you reported this information:
Affordability	**Unit**	
Gas prices	$/MBTU	☐
Costs	$	☐
Investments	$	☐
System Flexibility and Reliability		
Gas consumption (total and by fuel type)	MBTU	☐
Generation consumption (total and by consumption type)	MW	
GHG Emissions		
CO_2	$MtCO_2$	☐
Non-CO_2 gases (in CO_2e)	$MtCO_2e$	☐

STEP 5. STRATEGY AND QUALIFIED TARGET ALIGNMENT WITH INTERNATIONAL GOALS

Assess and discuss qualitative alignment of the transition strategy with robust types of transitions in global pathways aligned with the international goals. Refer to the robust findings listed in the table.

Table 25. Assessment of qualitative alignment of the transition strategy with robust types of transitions in global pathways

Robust types of transitions	Company strategy alignment
Increasing low-carbon technology deployments	Discussion of qualitative alignment
Increasing reliance on electricity	
Transitions away from fossil fuels but continued use	
Use of carbon dioxide removal	
Improvements in energy conservation and efficiency	
Differences in regional low-carbon transitions	
For any climate goal, substantial uncertainty in the levels, rates of change, and composition (e.g., technologies, energy, activity) of the transition of the global economy.	

Assess and discuss qualitative alignment of the transition strategy with the provisions of the Paris Agreement designed to help facilitate achieving its temperature goals (i.e., Paris Agreement articles other than the Article 2 temperature goals).

Table 26. Assessing qualitative alignment of the transition strategy with the Paris Agreement

Provisions of the Paris Agreement	Company strategy alignment
Differences in country opportunities and multiple priorities – emissions reductions (Article 4)	Discussion of qualitative alignment
Enabling conditions – international cooperation (Article 6)	
Enabling conditions – technology development and transfer (Article 10)	
Enabling conditions – education and training (Article 12)	
Differences in country opportunities and transparency (Article 13)	

For each Quantitative Target (QT), assess alignment with the Paris Agreement by comparing the QTs to the emissions reduction ranges consistent with limiting warming to well-below 2°C (see Step 5 in the Methodology document). If the QTs fall within the global range, they are considered aligned at a high level. If they fall outside the range, the company should provide a narrative regarding the qualifying conditions and challenges (e.g., regional challenges, development status, energy demand growth) to contextualize their deviations from the well-below 2°C range and discuss how alternative conditions could enabling greater reductions.

Table 27. Assessing alignment of the Qualified Targets

Qualified Targets (for each target grouping)	Within range of well-blow 2°C	Alignment assessment discussion
QTs for target grouping 1	Yes /No	Discussion of QT alignment and challenges
QTs for target grouping n	Yes /No	Discussion of QT alignment and challenges

While optional, a company could also assess and document alignment of their targets with national GHG goals in country NDCs. The company can simply note the country emission goals in percent reduction terms using the company's base year relative to the global total emissions pathways and the company's targets and transition pathways. Visually, the company could overlay the NDC emission goals in a chart with the relevant global percent reduction pathway range and the company's targets and transition pathways. The company can also explain how they see their targets contributing to the national pledge. Comparing to sectoral national goals, however, is not recommended since it can be misleading (see the Step 5 discussion in Methodology document).

Table 28. Optional: Alignment with national emissions goals

Optional assessment of alignment with national goals
Describe the country's NDC percent reduction goals:
Visually compare the company targets to the NDC goals:
Discuss how the company targets contribute to the national pledge:

STEP 6. DOCUMENTATION AND COMMUNICATION

SMARTargets

The company should document their SMARTargets – Aspirational and Qualified Targets, strategies, and Paris Agreement alignment using the tables below (Tables 29 and 30). In addition to collecting their documentation from implementing the methodology above (e.g., phase completion, reference conditions, scenario specifications, scenarios run), the company should include **Tables 29 and 30 for each target grouping indicated in Table 8 above (by emissions category, by GHG, or across categories and GHGs)**. In addition to the tables, the company should provide documentation with a narrative and graphics communicating the insights regarding opportunities, risks, and strategies, as well as supporting their responses in the tables.

Table 29. Aspirational Targets and strategies

Aspirational Targets
Company Statement of 2050 Aspirational Target (AT): *An AT statement for 2050 should be made (see example below). The X% noted below would be the 2050 AT in Table 6 in the Methodology document if the company's base year is 2015. If a different base year is used, X% needs to be derived from the global pathway range adjusted to the company's base year (see SMARTargets Methodology for instructions).* Example: For Scope 1 CO_2 Direct Emissions from Stationary Combustion, <COMPANY NAME> has an Aspirational Target to reach X% by 2050 (relative to <COMPANY BASE YEAR>) subject to the enabling conditions listed below.
Interim Aspirational Targets: *An ATs statement for pre-2050 interim years should be made (see example below). A company must have an interim target for either 2030 or 2035. A company can pursue additional interim targets if desired. The A% noted below would be the 2030 or 2035 AT in Table 6 in the Methodology document if the company's base year is 2015. If a different base year is used, A% needs to be derived as noted previously.* Example: For Scope 1 CO_2 Direct Emissions from Stationary Combustion, <COMPANY NAME> has Aspirational Targets of A% for <2030 or 2035> (relative to <COMPANY BASE YEAR>) subject to the enabling conditions listed below.
Challenges, trade-offs and risks: *The company should document the challenges, trade-offs, and risks identified from evaluating potential transitions for achieving the Aspirational Targets.*
Enabling conditions for Aspirational Targets: *The company should document the identified enabling conditions required for achieving the interim and 2050 ATs while balancing the trade-offs and risks.* For target type 1, the following enabling conditions were identified: - <LIST CONDITIONS>
Enabling conditions criteria: *The company should document the criteria used to identify the enabling conditions.*
Strategies:

The company should document their strategy for pursing the ATs, including robust strategies, strategies for pursing enabling conditions, and risk management strategies (e.g., milestones, contingency plans).
Quantitative alignment with the Paris Agreement temperature goal: *The company should document quantitative alignment of their ATs. This would include communicating that the AT levels are aligned by design. The company could also include a graphical comparison of their ATs with the global pathway ranges to communicate alignment of the targets. See examples in Appendix B.*
Qualitative alignment with the Paris Agreement: *The company should document their assessment of qualitative alignment of their strategy with the Paris Agreement and science based on the guidance in Step 5 of the methodology.*

Table 30. Qualified Targets and strategies

Qualified Targets
Company Statement of 2050 Qualified Targets (QTs): *A Qualified Target statement for 2050 should be made (see example below). A company can have multiple 2050 qualified targets, with each associated with different conditions.* Example: For Scope 1 CO_2 Direct Emissions from Stationary Combustion, <COMPANY NAME> has a Qualified Target to reach Y% by 2050 (relative to <COMPANY BASE YEAR>) subject to the conditions listed below.
Interim Qualified Targets: *A QT statement for pre-2050 interim years should be made (see example below). A company must have at least one interim target (either 2030 or 2035). A company can have additional interim targets, as well as additional interim QTs associated with different conditions.* Example: For Scope 1 CO_2 Direct Emissions from Stationary Combustion, <COMPANY NAME> has a Qualified Target of B% for <2030 or 2035> (relative to <COMPANY BASE YEAR>) subject to the conditions listed below.
Challenges, trade-offs and risks: *The company should document the challenges, trade-offs, and risks identified from evaluating potential transitions for achieving the QTs.*
Conditions for Qualified Targets: *The company should document the identified conditions associated with achieving the interim and 2050 QTs while balancing the trade-offs and risks.* For target type 1, the following conditions were identified: - < LIST CONDITIONS>
Conditions criteria: *The company should document the criteria used to identify the conditions noted above.*
Strategies: *The company should document their strategy for pursing the QTs, including robust strategies, strategies for pursing favorable conditions, and risk management strategies (e.g., milestones, contingency plans).*
Quantitative alignment with the Paris Agreement temperature goal: *The company should evaluate and communicate the quantitative alignment of the QTs according to the Step 5 instructions. This could include a graphical comparison of their QTs with the global pathway ranges to concretely communicate alignment of the targets. See examples in Appendix B. It is important to keep in mind that it is not*

a conclusive comparison for determining Paris Agreement alignment, and QTs falling outside the global range reflects circumstances where company emissions reductions are particularly challenging, which is what QTs are meant to help identify and communicate.
Qualitative alignment with the Paris Agreement: *The company should document their assessment of qualitative alignment of their strategy with the Paris Agreement and science based on the guidance in Step 5 of the methodology.*

Target public communication

In the table below, describe how your targets have been communicated. Your organization should ensure that SMARTargets are clearly and publicly communicated.

Table 31. SMARTargets communication

SMARTargets communication
Date:
Where is your SMARTargets documentation publicly posted (include URL if available online):
If you have updated your SMARTargets communications, please indicate the type of update and where that information is available:

STEP 7. VALIDATION AND VERIFICATION

Internal Validation

For internal validation, companies must establish and implement an internal control process. The internal validation must be carried out by a team that is independent from the team responsible for implementing the SMARTargets Methodology.

Table 32. Internal control roles and responsibilities

Role	Department/team	Responsibilities	Independent from implementation team? (Y/N)	Notes

Table 33.Internal validation opinion

Methodology Step	Assessment summary	Conforms with methodology? (Y/N)	Recommendations for improvement
STEP 1			
STEP 2			
STEP 3			
STEP 4			
STEP 5			
STEP 7			
STEP 8			
INTERNAL VALIDATION OPINION: Based on the conformity assessment conducted in accordance with the SMARTargets methodology criteria, the internal validation team concludes that the company targets [**conforms / does not conform**] with the SMARTargets Methodology. This conclusion is based on the evaluation of objective evidence and its alignment with the defined methodological requirements.			

Third-party validation

Once accredited, independent commercial services become available, a company should consider third-party validation. Third-party validation would be carried out by an external, independent team, separate from the company. This team works collaboratively with the company to develop a validation plan, informed by the SMARTargets Reporting Template and validation criteria. The process would conclude with the issuance of an authoritative opinion on conformity with the SMARTargets Methodology steps and validation criteria. The opinion must be formally documented and securely filed in the company's official records. The external validator should fill in the table below.

Table 34. External validation opinion

Methodology Step	Assessment summary	Conforms with methodology? (Y/N)	Recommendations for improvement
STEP 1			
STEP 2			
STEP 3			
STEP 4			
STEP 5			
STEP 7			
STEP 8			
EXTERNAL VALIDATION OPINION: Based on the conformity assessment conducted in accordance with the SMARTargets methodology criteria, the third-party validation team concludes that the company targets [**conforms / does not conform**] with the SMARTargets Methodology. This conclusion is based on the evaluation of objective evidence and its alignment with the defined methodological requirements.			
Individual responsible of the third-party validation:			
Company responsible of the third-party validation:			
Date:			

Progress Statement and Verification

If the company has implemented SMARTargets for one year or longer, use the table below to systematically track and communicate progress for each of the company's target groupings.

Table 35. Progress Verification

Progress Statement:
In the year _____, the company reduced _____ emissions compared to the _____ base year. This represents a _____ progress toward meeting our SMARTargets.

Verification: The progress statement above will be assessed based on the company's GHG emissions inventory for the year of verification. In the near-term, verification will be conducted internally—by a team independent from the one implementing SMARTargets and the company's emission reduction strategies. Once accredited, independent commercial services become available, a company should consider third-party verification, which could be integrated into the company's annual GHG inventory verification process.

Alignment with science and the Paris Agreement

The SMARTargets Methodology, by design, provides targets and strategies that are science-based and aligned with the Paris Agreement. Given stakeholder and public interest, the company should provide a summary statement on alignment with both science and the Paris Agreement. They can do so simply by documenting how each of the scientific requirements for a science-based methodology were considered

in their implementation of the SMARTargets Methodology and how Paris Agreement alignment is achieved.

Table 36. Alignment with science and the Paris Agreement

Required element	Describe how your SMARTargets development considered each
Science-based alignment with a global temperature goal *(Considering global pathway ranges, assumptions, implications, and limitations)*	
Science-based decision-making	
Considering uncertainty	
Accounting for the company's unique circumstances, opportunities, and risks	
Considering the company's multiple objectives	
Providing flexibility	
Support resiliency	
Target and strategy alignment with Paris Agreement temperature goal and other provisions *(Quantitative alignment, qualitative alignment, and evaluation of the two types of emissions reductions—ATs & QTs)*	

STEP 8. MONITORING AND ADJUSTING

A company will monitor milestones annually. Before doing so, they will need to define specific milestones based on the transition risk analysis results (see Step 4 in the Methodology document). Each year, the company will need to assess how the future is unfolding relative to their milestones. Based on this assessment, the company will need to determine if adjustments to their strategy are needed. This could be adjustments according to contingency plans, such as revising strategies and/or adjusting targets. However, the company will also want to evaluate whether conditions have changed such that the set of potential futures are substantively different than what was analyzed in their transition risk analysis. If so, the company may want to consider refreshing their SMARTargets analysis.

Table 37. Milestones to monitor

Milestone (related to developments in decarbonization incentives, decarbonization options, and other conditions)	Description of milestone

Table 38. Annual milestone monitoring

Milestone	Describe changes in conditions, if any, related to milestone and alternative SMARTargets futures evaluated	Response, including planned strategy adjustments, if any