Power Transition Tracker
Methodology

To assess the transition plans of power utilities, we have established a comprehensive analytical framework based on both the European Sustainability Reporting Standards (ESRS) requirements,[1] and the baseline of "forward-looking indicators" provided in Reclaim Finance's analysis. Our assessment of the companies' transition plans is based on reports and data publicly available as of 25 March 2025. A questionnaire addressing 44 KPIs was sent to the power utilities to allow them to complete or correct the public data.

Those 44 KPIs (see below, List of KPIs) are clustered into four main categories, with a fifth category that evaluates the transparency of the utilities in their answers to the questionnaire.

Assessment categories

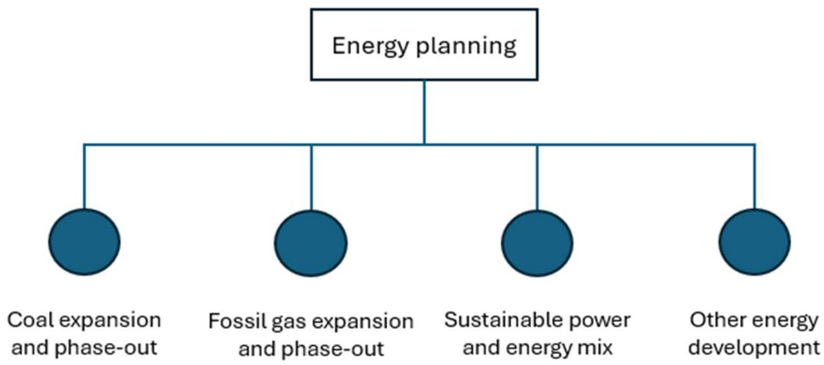
- **Emissions reduction plan**

  Assesses the robustness of the reference scenario, targets, perimeters, and timeline that outline the decarbonization pathway planned by the power utility. This category also addresses the issue of emissions compensation, and the progress the company has made towards its targets over the previous year.

- **Energy planning**

  Assesses the power utility's coal and fossil gas expansion and phase-out strategy, its development plan for sustainable power solutions (solar, wind, storage and grids) and other power sources (hydropower, hydrogen, biomass, nuclear), as well as the current and projected share of these in its energy mix.

  To analyse the core aspects of the company's transition plans in detail, the "Energy planning" category is divided into four sub-categories, as in the figure below:



[1] EU, European Sustainability Reporting Standards (ESRS) Annex 1, C(2023) 5303 final, supplementing Directive 2013/34/EU, July 2023

- **CAPEX**

  Assesses the coherence between the required material developments and the effective investments (CAPEX) planned by the power utility, as well as their evolution over the previous year. Based on the Net Zero Emissions by 2050 Scenario (NZE)[2] from the International Energy Agency (IEA), Beyond Fossil Fuels advocates for a minimum share of 86% in sustainable technologies. A maximum share of 11% in fossil fuel-based technologies is still allowed only if it is related to "maintenance CAPEX" for existing fossil fuel plants or infrastructures requiring, for example, important retrofit, repair, or maintenance operations that potentially improve infrastructure efficiency.[3]

- **Climate planning**

  Assesses the alignment of the power utility's strategy and governance with its climate goals through the involvement of its board members and main managers in implementing climate objectives, the consideration of climate-related risks and opportunities, and the company's ability to generate revenue from activities aligned with its climate strategy.

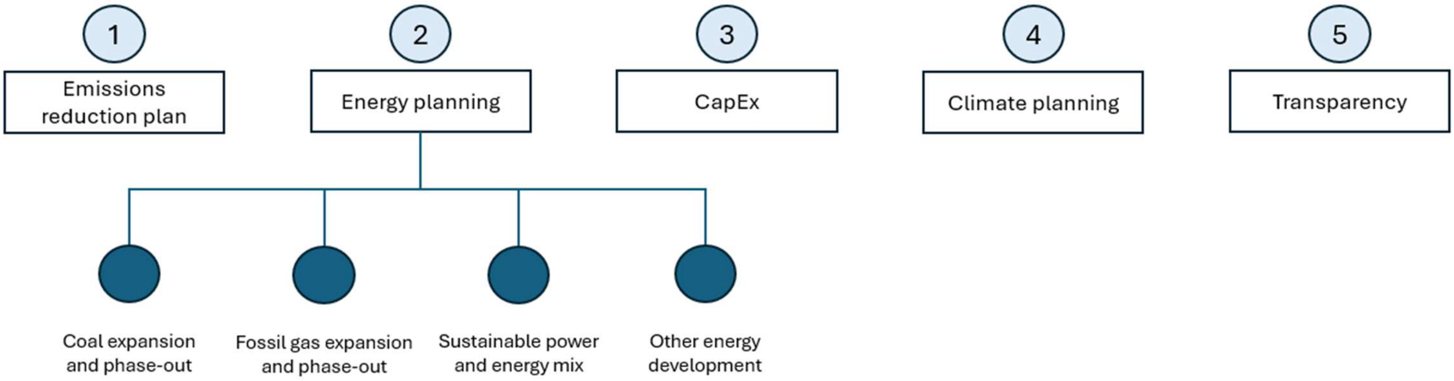
- **Transparency**

  To complete the analysis, an additional category evaluates the transparency of each power utility based on the answers it provided to our questionnaire. It assesses the relevance of the answers provided by the company to the questions asked, irrespective of its technical content. If an answer is missing, off-topic, or obviously inadequate, it is negatively assessed. Some questions were deemed high priority for our analysis (see below, List of KPIs). Answering the questions identified as top priority is considered the strict minimum level of transparency for a transition plan.

Red	Yellow	Green
One of the answers to priority 1 questions is missing, off-topic, or obviously inadequate.	One of the answers to priority 2 questions is missing, off-topic, or obviously inadequate.	No answer to priority 1 and 2 questions is missing, off-topic, or obviously inadequate.

[2] International Energy Agency (IEA), Net Zero by 2050 Scenario, May 2021
[3] This target is based on the IEA's NZE scenario, and considers that renewables and nuclear targets can and should be reached with sustainable solutions. The remaining 14% are divided between activities related to fossil fuels (11%) and other activities (3%), such as EV chargers, hydrogen infrastructure, and direct air capture (DAC). More details in Reclaim Finance's recommendations for banks and the power sector. IEA, Net Zero by 2050: A Roadmap for the Energy Sector, May 2021, p.155; Reclaim Finance, Recommendations – Banks – Power sector, August 2023

Thus, the transition plans are assessed through the following grid:



This list of criteria is combined with "critical thresholds" based on "red lines" and "yellow lines". The "red lines" establish the very minimum standards that need to be included in a power utility's transition plan. The "yellow lines" set the bar for a robust and ambitious transition plan (see below, List of critical thresholds). These thresholds are associated with the different categories of KPIs. When a red line is crossed, it indicates that the power utility has failed to reach the basic criteria of a transition plan in the related category and is flagged in red. When a yellow line is crossed, it signifies that the power utility has failed to deliver a robust and ambitious transition plan in the related category and is flagged in yellow – assuming no red line has been crossed in the same category. If no red or yellow line is crossed, the utility is considered to have reached the core criteria of a robust transition plan regarding the related category, and is flagged in green.

It has to be noted that a green rating does not mean that the company has a fully robust and ambitious transition plan for the related category, but that it complies with the main requirements of such a plan. Only a detailed analysis of all KPIs presented in this methodology can enable a thorough understanding of the power utilities' transition plans. For this, we provide a detailed assessment of each power utility's transition plan in a specific briefing available in the Power Transition Tracker.

Red	Yellow	Green
The company does not reach the basic elements of a transition plan.	The company addresses the basic elements of a transition plan, but core elements still need to be clarified or improved to reach a robust transition plan.	The company answers the core elements of a robust and ambitious transition plan. Further information can yet be provided and/or some standards reinforced.

List of KPIs

Category	Sub-category	No.	KPI	Questions priority (transparency assessment) Top priority = priority 1
Emissions reduction plan	Emissions reduction targets	1	Does the company have an emissions reduction strategy based on a science-based 1.5°C scenario with no or low overshoot and a limited volume of negative emissions?	1
		2	Are targeted emissions reduction levels consistent with reductions foreseen in the electricity pathway of the company's reference scenario?	2
	Emissions reduction timeline	3	Are targeted emissions reduction levels consistent with reductions foreseen in the electricity pathway of the company's reference scenario?	2
		4	Medium-term ambition: does the company have emissions reduction target(s) by 2030?	1
		5	Long-term ambition: does the company have a net-zero target(s) by 2035 in Europe and OECD countries, and 2040 in the rest of the world?	1
	Emissions reduction perimeter	6	Are emissions targets set in absolute values and address gross emissions (and can be complemented by intensity targets)?	1
		7	Do emissions targets cover all the entity value chain and activities on an operational basis?	3
		8	Do emissions targets cover scope 1, 2, and 3?	1
		9	Do emissions targets cover all greenhouse gases (GHGs)?	2
		10	Are methane emissions addressed through specific targets?	2

	Compensation of emissions	11	Does the company have plans to employ emissions capture technology or emissions offsets?	2
		12	What is the contribution of emissions capture technology or emissions offsets to net targets?	2
	Progress against targets	13	Does the company report on the incremental progress made on its target over the last reporting year?	1
		14	In detail, what actions and factors led to emissions reductions or increases in the last reporting year?	2
		15	In detail, what progress has been made on company emissions targets since the last targets' baseline?	2
Energy planning	Coal expansion and phase-out	16	Does the company have coal power development plans (including purchasing existing coal power plants)?	1
		17	Does the company have a commitment to phase out coal power plants?	1
		18	Does the company have a plant-by-plant closure plan for coal power plants? Is the dismantling of the plants financially planned (provisions, specific financing mechanisms, etc.)?	1
		19	Does the company have a commitment to close and not sell or convert coal power plants to gas, hydrogen, biogas, etc.? In case of conversion, are they financially planned (provisions, specific financing mechanisms, etc.)?	2
	Gas expansion and phase-out	20	Does the company have gas power development projects (including buying existing gas power plants)?	1
		21	Does the company have a commitment to phasing out fossil gas power globally and/or in Europe and, if yes, by which date(s)?	1
		22	Does the company have a gas plant-by-plant closure plan?	2
		23	Does the company have a commitment to close and not sell or retrofit gas plants to biomass, hydrogen, etc.?	2

		24	Does the company have LNG infrastructure development projects (including plans to purchase existing infrastructure)?	1
	Sustainable power and energy mix	25	Does the company have solar/wind capacity targets in Europe and/or globally?	1
		26	Does the company have battery/storage/flexibility capacity or R&D targets in Europe and/or globally?	1
		27	What was the average power capacity and/or generation mix over the last 12-18 months?	2
		28	What is the planned capacity and/or generation mix in the near-term and by 2030?	1
	Other power development	29	Has the company committed to not develop new hydropower in Europe, or biomass and nuclear power globally?	1
		30	If there is existing hydropower capacity in the company portfolio, does it plan to retrofit it to increase efficiency?	3
CAPEX	Last reported CAPEX	31	Last year's CAPEX, with sufficient granularity on generation technology and flexibility.	1
		32	Share of last year's CAPEX related to coal, oil, and gas activities.	2
		33	Share of last year's CAPEX aligned with the company's climate transition plan.	3
	Near-term CAPEX	34	Near-term CAPEX, with sufficient granularity on generation technology and flexibility (supply storage, demand side management).	1
		35	Share of near-term CAPEX related to coal, oil, and gas activities.	2
		36	Share of near-term CAPEX aligned with the company's climate transition plan.	3

		37	Share of near-term CAPEX aligned with the sustainable finance taxonomy.	2
		38	Share of near-term CAPEX dedicated to sustainable technologies: wind, solar, storage, power grids, geothermal, hydropower (retrofit and upgrading), green hydrogen (not for power generation), heat (electrification).	1
Climate planning	Climate strategy	39	Is the company excluded from the EU Paris-aligned Benchmarks?	2
		40	Has the company set targets to increase its share of revenues from activities (products and services) aligned with its climate transition plan or the EU taxonomy?	3
		41	Has the company incorporated climate-related risks and opportunities with specific indicators and/or management processes in place?	1
	Climate governance	42	Has there been an announcement made publicly and by leadership on transition plans?	3
		43	Has the company established responsibility at board level for the achievement of climate targets and does it disclose evidence of this board oversight?	1
		44	Has the company defined management responsibilities and accountability for target implementation?	1

List of critical thresholds

Category	Sub-category	KPIs	Red lines	Yellow lines
Emissions reduction plan	Emissions reduction targets	1, 2	No mention of the reference scenario.	The reference scenario is not a science-based 1.5°C scenario with no or low overshoot and a limited volume of negative emissions.
	Emissions reduction timeline	3 to 5	No emissions reduction target in 2030. No net-zero target.	No emissions reduction target by 2027. Net-zero target after 2035 in Europe and OECD countries and/or after 2040 for the rest of the world.
	Emissions reduction perimeter	6 to 9	All scopes (1, 2, and 3) are not covered by absolute emission targets (> 90% short-term, 100% long-term).	Gross emissions/all GHGs are not addressed.
	Emissions reduction perimeter	10	-	No specific methane emissions target.
	Compensation of emissions	11, 12	-	Capture technologies or emissions offsets are considered as a lever of decarbonization, or contribute more than 10% of the long-term decarbonization strategy.
	Progress against targets	13 to 15	No report over the last three years.	No report on the progress made over the last reporting year. No report on the actions and factors that led to emissions reductions or increases in the last reporting year. No report on the progress made on its emissions targets.

Energy planning	Coal expansion and phase-out	16 to 19	The company has coal power development plans. No coal power phase-out commitment by 2030 in Europe and OECD countries, and by 2040 in the rest of the world.	No commitment to close and not to sell or convert coal power plants. No plant-by-plant closure plan.
	Gas expansion and phase-out	20 to 24	New fossil gas power or LNG development (baseload or peakload). No commitment on gas phase-out by 2035 in Europe and OECD countries, and by 2040 in the rest of the world.	No commitment to close and not to sell or convert gas power plants to biomass, biogas, hydrogen.
	Sustainable power and energy mix	25 to 28	No solar/wind targets by 2030. No energy mix provided. Sustainable technologies < 67% capacity or 54% generation of the energy mix in 2030.	No battery/storage/flexibility capacity or R&D targets in Europe or globally by 2030. Sustainable technologies < 77% capacity or 69% generation of the energy mix in 2030. Power capacity or generation mix not detailed per technology (at least fossil fuel/sustainable (solar, wind, storage)/others) in 2030.
	Other power development	29, 30	-	Plans to develop new hydropower in Europe, and biomass or nuclear power globally.
CAPEX	Last reported CAPEX	31 to 33	No report on last year’s progress.	No detail between fossil fuels and renewables on last year's CAPEX.
	Near-term CAPEX	34 to 37	No information on the near-term CAPEX allocation.	No detail between fossil fuels and renewables on the near-term CAPEX.
	Near-term CAPEX	38	CAPEX in new fossil fuels capacity (including LNG). CAPEX in fossil fuels technologies > 11%.	CAPEX in sustainable technologies < 86%.
Climate planning	Climate strategy	39 to 41	The company does not consider climate-related risks and opportunities in its strategy.	The company does not respect the exclusion criteria of the EU Paris-aligned Benchmarks.
	Climate governance	42 to 44	No responsibility at board level for climate targets.	No management responsibility and accountability for climate targets.

ESRS requirements mapping against the Power Transition Tracker criterias

The European Sustainability Reporting Standards (ESRS)[4] Disclosure E1-1 Paragraph 14 states that: “The undertaking shall disclose its transition plan for climate change mitigation”. This is further detailed by Paragraph 16 in 10 points. We have established a correlation between these requirements and the KPIs defined to assess the transition plans of power utilities, making sure that our framework includes the requirements of the European standards.

[4] EU, European Sustainability Reporting Standards (ESRS) Annex 1, C(2023) 5303 final, supplementing Directive 2013/34/EU, July 2023

ESRS requirements	Correlation	Associated KPIs
a. by reference to GHG emission reduction targets (as required by Disclosure Requirement E1-4), an explanation of how the undertaking's targets are compatible with the limiting of global warming to 1.5°C in line with the Paris Agreement;	*Explaining compatibility with a 1.5°C warming limit requires the undertaking to at least disclose the scenario/methodology it uses to set its decarbonization targets. To that regard, mandatory disclosure should provide us with elements to answer KPI 1 and 2.* *Furthermore, if the undertaking justifies its targets individually, this disclosure may also provide us with elements for KPIs 3, 4, 5, 6, 7, 8, 9 and 10.*	1 to 10
b. by reference to GHG emission reduction targets (as required by Disclosure Requirement E1-4) and the climate change mitigation actions (as required by Disclosure Requirement E1-3), an explanation of the decarbonisation levers identified, and key actions planned, including changes in the undertaking's product and service portfolio and the adoption of new technologies in its own operations, or the upstream and/or downstream value chain;	*If the undertaking uses significant amounts of emissions compensation, then it should be identified as a decarbonization lever, in which case KPIs 11 and 12 should be covered through this point.* *Furthermore, for power utilities, "changes in the undertaking's product and service portfolio and the adoption of new technologies in its own operations" should cover changes in the power plant portfolio, from fossil fuels-based plants to new low-carbon (essentially renewable) plants. This should therefore cover coal and gas phase-out, and the uptake of renewables. This point should provide information in relation to KPIs 16 to 30.*	11, 12, and 16 to 30
c. by reference to the climate change mitigation actions (as required by Disclosure Requirement E1-3), an explanation and quantification of the undertaking's investments and funding supporting the implementation of its transition plan, with a reference to the key performance indicators of	*Should provide information related to KPIs 31, 36, and 37.*	31, 36, 37

	taxonomy-aligned CAPEX, and where relevant the CAPEX plans, that the undertaking discloses in accordance with Commission Delegated Regulation (EU) 2021/2178;		
d.	**a qualitative assessment of the potential locked-in GHG emissions from the undertaking's key assets and products. This shall include an explanation of if and how these emissions may jeopardise the achievement of the undertaking's GHG emission reduction targets and drive transition risk, and if applicable, an explanation of the undertaking's plans to manage its GHG-intensive and energy-intensive assets and products;**	*Coal and gas power plants (and LNG terminals) are GHG-intensive, therefore locking in GHG emissions, and may jeopardise the achievement of reduction targets and drive transition risk. This point should provide information as to how coal and gas phase-out fits into the undertaking's transition plan and how the undertaking aims to manage them, therefore providing information for KPIs 16 to 24.*	16 to 24
e.	**for undertakings with economic activities that are covered by delegated regulations on climate adaptation or mitigation under the Taxonomy Regulation, an explanation of any objective or plans (CAPEX, CAPEX plans, OpEX) that the undertaking has for aligning its economic activities (revenues, CAPEX, OpEx) with the criteria established in Commission Delegated Regulation 2021/21392;**	*The information related to KPIs 31 and 37 should allow us to evaluate the alignment with the Taxonomy Regulation and the criteria established in Commission Delegated Regulation 2021/21392.*	31, 37
f.	**if applicable, a disclosure of significant CAPEX amounts invested during the reporting period related to coal, oil and gas-related economic activities;**	*To inform about CAPEX amounts dedicated to coal, oil, and gas-related activities, the undertaking should provide information related to KPIs 31 and 32.*	31, 32
g.	**a disclosure on whether or not the undertaking is excluded from the EU Paris-aligned Benchmarks;**	*To inform about its potential exclusion from the EU Paris-aligned Benchmarks, the undertaking should provide information related to KPI 39.*	39

h. an explanation of how the transition plan is embedded in and aligned with the undertaking's overall business strategy and financial planning;	*To ensure the alignment of its transition plan with its overall business strategy and financial planning, the undertaking needs to monitor the share of revenues from activities (products and services) aligned with its climate transition plan or the EU taxonomy, and incorporate climate-related risks and opportunities with specific indicators and/or management processes in place. Therefore the undertaking should provide information related to KPI 33, 40 and 41.*	33, 40, 41
i. whether the transition plan is approved by the administrative, management and supervisory bodies;	*This should provide information related to KPIs 42, 43 and 44.*	42, 43, 44
j. an explanation of the undertaking's progress in implementing the transition plan.	*This should provide information related to KPIs 13, 14 and 15.*	13, 14, 15