Solving Climate Credit Rating Downgrades

Challenge: Near Term Climate Bubble / Crash Can Be Triggered by

- Pending climate credit downgrades, and / or
- Imminent litigation over collapse of coastal property values from faster rising seas.

Accelerating Forces

- Lack of insurance for climate damages / resilience
- Several trillion dollars must be spent on near term solutions.
- JPMorgan predicts unmanageable dangerous climate change is a near term high probability *Black Swan* statistical event.
- Time is of the essence: triggers can happen now.

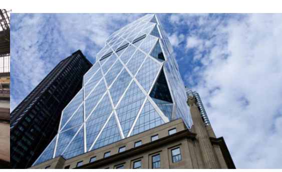
Solution:

Rating Agencies Use Consensus Criteria Entities Can Achieve to Avoid Downgrades BEFORE They are Issued.

Accelerating Forces

- S&P criteria use can serve as underwriting for new insurance products, brand improvement, 30 yr. profitable business models.
- Government action not required.
- Capital markets have more than enough investor funds to pay for solution including through green + resilient bonds.
- Green bond growth is explosive.
- Rating agencies acknowledge higher ratings for energy efficiency.
- Improves public health & environment.
- Rebuilds / protects built environment.
- Creates estimated $800B in new wages / 400,000 new jobs.
- Consensus criteria rating agencies helped initiate are available & similar to existing bond criteria.






Data From Capital Markets Partnership (CMP) Green Bond / Sustainable Investment Business Case & RELi Consensus Underwriting Standards Supported by U.S. Conference of Mayors (2008), Peer-reviewed & Released at NYSE (2009), Updated by Leading Economists (2013), & Used by Former Republican Treasury Secretary Hank Paulson Announcing Climate Bubble (NYTimes, WSJ 2014). Slide Developed With US Senate Staff and CMP as a Result of US Senate Staff Briefing on Climate Credit Rating Downgrades (Feb. 6, 2015).