

ESP LAC
Ecosystem services in business:
from theory to practice

Eletropaulo

Eletropaulo's Experience with
Ecosystem Services

Timeline: Our experience with Ecosystem Services

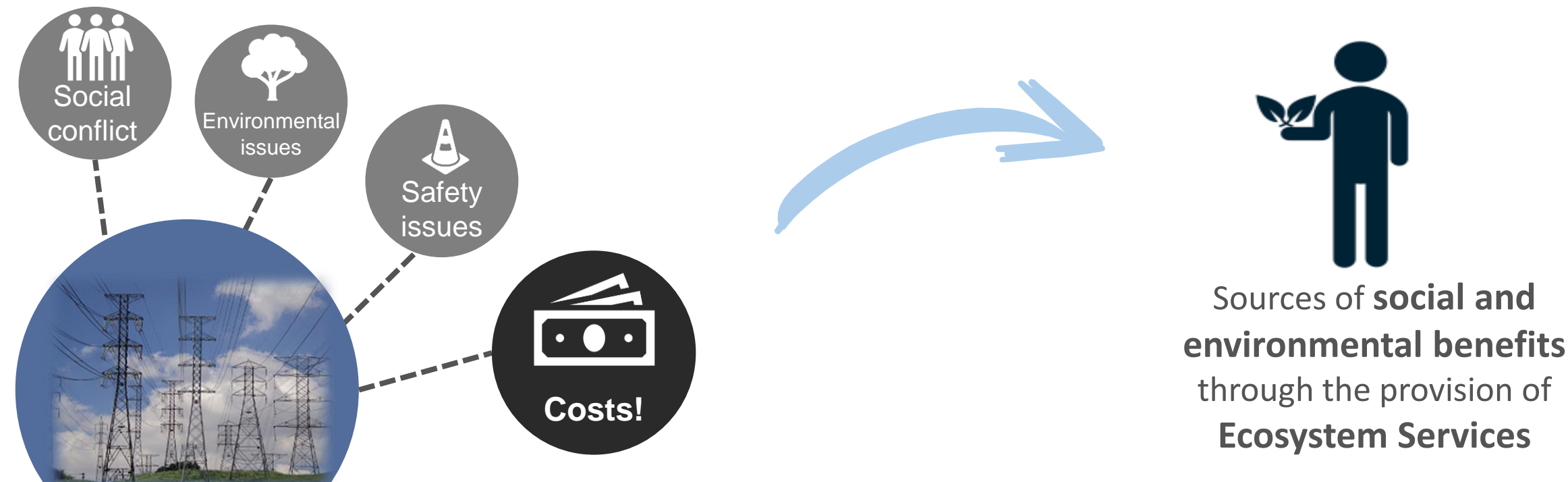


Motivation

Sustainability is in our mission and in our vision

We acknowledge our **impact in the city** – both positive and negative

We work constantly to maximize the positive impact and minimize the negative impact



ES Valuation Pilot

Project description and team

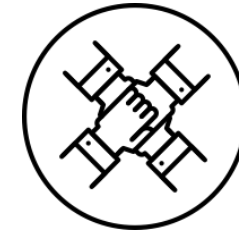
Main objectives with the pilot

- Evaluate **risks and opportunities** related to ES
- Understand the relationship between **the company, the ES and the community**
- Evaluate the **ES valuation impact** on the **economic viability** of our projects

Projects Analyzed



Project Team



TeSe - sponsor

Renato Armelin – consultant

Environment team – owner and main team

Right-of-way Management, Finance, Regulatory Affairs,
Strategic Planning, Sustainability – support team

Main results

- The **ES valuation** is fundamental to the **economic and financial viability** of 2 of the 4 projects analyzed
 - In the Revitalization project, it is so important that even if the ES valuation is overestimated by 50%, the project is still economically viable

- Overall, the benefits of the projects are **underestimated**
 - **Not all ES involved** could be valued
 - There are **other benefits** besides ES – eg. social capital



- **Time gap** between **costs and benefits**
 - Short-term costs
 - Long-term benefits
 - More affected by the discount rate, lowering their present value
 - Benefits beyond the analysis time frame – total ES value could not be captured

ES Valuation Pilot

Challenges and management actions



Challenge and solution

- **Data availability** → **assumptions** discussed with the support team can and will be improved

Lessons Learned & Management actions

- Each project has their own characteristics and therefore are **suitable for different types of areas**
 - Project scope
 - **ES involved**
- Write business cases and **communicate** the results to all levels of the organization
 - ES **enhance the positive impact** of the projects

Mindset issues

Short-term wins x long-term losses

Unfamiliarity with ES concept and its importance to business strategy



ESP LAC
Ecosystem services in business:
from theory to practice

Eletropaulo

Thank you!

Natália Ribeiro Cruz
natalia.ribeiro@eletropaulo.com.br
+ 55 11 2195 7281 | + 55 16 99707 1721