Decarbonization Strategy & Action Accelerator Program

A Playbook



Module 3 Playbook

Developing a Scope 1 & 2 Decarbonization Strategy

How to use this playbook

This playbook serves as both a reference guide and a checklist for completing required activities in Module 3. Please carefully review the module outcomes, resources and assignments, and instructions to help guide you through the module and track your progress.

Be sure to submit all required assignments and resources at the end of the module to receive credit for completion.

Module Overview & Outcomes

The module guides participants through the process of developing an effective decarbonization strategy for Scope 1 and Scope 2 emissions. The curriculum will explore the purpose and value of a decarbonization strategy, highlight the emissions reduction levers organizations can use to address operational and energy-related emissions, and provide guidance on developing a strategy within the Decarbonization Strategy Modeling Tool.

By the end of the module, participants will have a clearer understanding of how to identify, prioritize, and implement actions as part of a holistic Scope 1 and Scope 2 emissions decarbonization strategy.

Module Resources & Assignments

Module 3 Session

Developing a Scope 1 & 2 Decarbonization Strategy

Module 3 Homework Assignment

Decarbonization Strategy Modeling Tool: Module 3

Module instructions

To complete Module 3, please follow the instructions outlined below. All materials, including session recordings, resources, and homework assignments, are available on the program SharePoint page. Be sure to download and save copies of all materials before editing them.

- [ ] 1. Watch or attend the **Module 3 Session: "Developing a Decarbonization Strategy**
    a. If you are unable to attend the session at the scheduled time and date, please watch the session recording
- [ ] 2. Complete the **Module 3 Homework Assignment: Decarbonization Modeling Tool: Module 3 Section (Sheets M3.4 - M3.8)**
    a. Open the Decarbonization Strategy Modeling Tool (Excel file), where you have previously completed Module 2 sheets (M2.0-2.3)
    b. Navigate to "Module 3 Start".
    c. Complete each Module 3 sheet, reading the instructions and inputting the required information. Please see the following pages of this playbook for more guidance on how to complete data input needed for Module 3.

Once the steps above are complete, please confirm you have finished the module by emailing the following items to the program inbox:

1. A copy of the Decarbonization Strategy Modeling Tool with the Module 3 sheets completed.

> Note
> At this time Module 2 and Module 3 sheets should be complete in the Decarbonization Strategy Tool

2. Confirmation that you have watched the session recording, if you did not attend the module session live.

Receipt of these items is required to be marked as having completed the module and to be eligible to receive a certificate at the end of the program. Please note that the Module 3 Homework Assignment must be completed before your scheduled 1-on-1 Strategy Review Session or you may be asked to reschedule.

Module 3 Playbook

Guide for Completing Module 3 Decarbonization Strategy Modeling Tool Assignment

The guidance below is intended to help you identify and input the appropriate information needed to develop your decarbonization strategy in the **Decarbonization Strategy Modeling Tool**. Instructions are organized according to the required worksheets in Module 3, including information on how to analyze the Modeling Tool strategy output.

M3.4: Target-setting Parameters

Input the near-term and long-term emissions reduction target parameters that will guide the development of your decarbonization strategy. Target parameters can be updated at any point throughout the strategy development process.

If your organization has already established emissions reduction targets, enter the target year and reduction percentage (%) in the provided table. If not, use the guidance below to define target-setting parameters.

Guidance

Step 1: Enter a near-term target year and reduction target (%)

A near-term target is typically set **5-10 years from the most recent reporting or base year**. For example, if your most recent emissions data is from 2025, an appropriate near-term target year would be between 2030 and 2035.

To estimate an emissions reduction target (% reduction in Scope 1 and 2 emissions), a recommendation is to use the **SBTi Corporate Near-Term Tool**, which is linked directly within the Decarbonization Strategy Modeling Tool and on the SBTi website. This tool provides a science-based emissions reduction target pathway aligned with limiting global warming to 1.5°C.

The resulting reduction target can be used as a starting point and refined based on organizational priorities, operational feasibility, and level of ambition.

Step 2: Enter a long-term target year and reduction target (%)

A long-term target is typically set **more than 10 years from the most recent reporting or base year**, often between 2040 and 2050.

Long-term targets generally reflect an organization's ambition to achieve net-zero emissions or near-complete decarbonization. As a starting point, a **90% reduction** in emissions is commonly used, with any remaining residual emissions addressed through carbon removals or other net-zero mechanisms.

M3.5: Business-as-Usual (BAU) Projections

"**Business-as-usual" (BAU)** refers to the level of activity a company would expect if it continued operating and growing organically, without implementing any new decarbonization initiatives.

Entering this information helps the tool understand how emissions are expected to evolve over time. For example, if production increases or new facility space is added, the company may need to reduce more emissions to meet its target. The inputs on this tab help the tool create a more realistic future emissions baseline before applying reduction levers.

Guidance

Step 1: Review the facility list & enter expected annual production increase

The facility information is pulled from earlier tabs in the workbook. Review the listed facilities and enter the expected annual percentage increase in production for each facility (column H: Annual % Production Increase).

Business growth figures are often provided by Finance, Operations, or business planning teams. If the company expects production to grow evenly across all sites or only has an enterprise-level business growth estimate, enter the same percentage for each facility. If growth is expected to vary by facility, enter facility-specific growth percentages.

If this information is not available use reasonable estimates using best available information.

Step 2: Enter planned square footage expansions, if applicable

If the company expects to expand facility space before the target years, enter the additional square footage in the column Additional Square Footage Expansions. This helps the tool account for emissions growth from expanded operations.

> Note for Fleet Vehicles
> For fleet vehicles or mobile equipment, input the anticipated percent growth of the fleet travel or equipment over time. Additional Square Footage Expansions, can be left blank.

Step 3: Review the calculated BAU growth increase by target year

Review calculated the total expected increase by the near- and long-term target year and confirm the results look reasonable. Revise as necessary.

M3.6: Facility Details

This sheet allows the user to refine facility-level assumptions used to develop the decarbonization strategy. While optional, providing site-specific information can improve analysis accuracy by replacing default assumptions.

If the cells in green on this tab are left blank, the tool will use default values or information entered in previous tabs.

Guidance

Step 1: Enter annual electricity and natural gas costs

Enter the annual cost of grid electricity and natural gas for each facility in USD ($). This information can typically be found on utility bills.

Ensure costs align with the corresponding energy consumption units provided in the table:

- Electricity: kWh
- Natural Gas: MMBtu

Step 2: Enter HVAC annual operating hours

Enter the estimated number of hours HVAC equipment operates each year at the facility. This input improves energy efficiency and electrification estimates.

As a general guideline, **2,000 hours per year** is a reasonable assumption for most facilities.

Step 3: Enter annual process hours, if relevant

Annual Process Hours represent the number of hours processes that generate process emissions are in operation, typically involving high-temperature or chemical processes.

This input is most relevant for facilities with energy-intensive manufacturing or production activities. If not applicable, please leave this field **blank.**

Step 4: Review the onsite solar kilowatt (KW) potential

This sheet estimates the potential onsite solar capacity (kW) for each facility. No input is required. Review these results to understand the potential opportunity for onsite solar deployment at different facilities.

M3.7: Custom Project Input

This sheet allows the user to enter planned emissions reduction projects or emissions reductions projects completed between the data entered in for your base year and today. These may include projects such as energy efficiency improvements, electrification initiatives, renewable energy procurement, fleet electrification, and other decarbonization activities.

If your organization does not have any approved reduction projects or projects completed after the selected base year, this table may be left blank.

Guidance

Step 1: Enter project details

Add each approved decarbonization project at the organization by entering the required information or selecting the appropriate options from the dropdown menus.

Reduction quantities should be entered using the units automatically displayed in the tool.

Some projects may reduce emissions from multiple fuel or energy sources. The table allows users to enter reductions for up to two emissions sources per project. If a project only affects one emissions source, leave the Quantity of Emission Source 2 Reduced (Column K) blank.

Any fields that are not relevant to a project may also be left blank.

Please note the following guidance for project costs:

- CAPEX (Capital Expenditures) should be entered as positive values. The instructions in the tool include an error instructing users to put in the values as negatives. **This is incorrect and CAPEX values should be input as positives.**
- OPEX (Operating Expenditures) that increase annual operating costs should be entered as negative values.
- OPEX savings that decrease annual costs should be entered as positive values.

Step 2: Include completed projects since the base year

If your organization has completed decarbonization projects after the base year selected in the tool, include those projects here as well.
For projects already completed, enter the associated emissions reductions in the table and assign $0 for both project cost and annual savings.
This ensures the model adjusts base year emissions to reflect your organization's current emissions profile.

Step 3: Determine whether to include the project in the strategy

To include a project in emissions and strategy calculations, select "Yes" in the Include? Column (column A)

Switching between "Yes" and "No" allows you to evaluate how approved projects impact the organization's emissions reduction pathway and decarbonization strategy.

M3.8: Lever Selection

This sheet is where you will select which decarbonization actions are feasible for your business. Your selections of these actions will allow the tool to calculate what emissions reductions can be expected from these activities and provide an estimated cost and return-on-investment (ROI) to implement.

The data you enter into this tab allows your company to answer the questions “what emissions reductions are feasible?” and “where should I focus my attention on project development and implementation?”

This tool will not produce a comprehensive and detailed list of projects. Instead, it will provide executive-level direction to help your business align on what emissions reductions your company can commit to, what targets should be set to track progress against, and which stakeholders will be responsible for identifying high impact emissions reduction projects for the company.

This sheet has been pre-filled with the general recommendations for decarbonization opportunities at different facility types for a near- and long-term target timeframe.

You may choose to refine these selections by overriding them with your own inputs. If you choose to decline editing this sheet the tool will apply the default selections.

Step 1: Enter energy efficiency savings assumption

Context

Energy efficiency projects involve the implementation of equipment, process changes, and system redesign which reduces overall facility energy consumption. Many of these projects have high returns on investment and can be a key driver in the overall financial return of your company’s decarbonization strategy.

Instruction

In Column C, enter the percentage of energy consumption you expect to reduce through energy efficiency and reduction projects at each facility (lighting upgrades, HVAC controls, compressed air improvements, building envelope upgrades, etc.).

This figure represents the cumulative reduction expected by the target year, not annual savings. For long-term target a reasonable assumption is that the organization could achieve 5 -15% more reduction from energy efficiency.

Guidance

If you do not have facility-specific energy efficiency data, the tool is pre-filled reasonable defaults aligned to the site types of options on tab M1.0 Strategy & Facility Setup. These defaults apply to total facility energy consumption (both electricity and fossil fuels). If your organization has already implemented significant energy efficiency upgrades, consider using a lower value.

Step 2: Enter estimated fossil heat distribution

Context

Understanding how your facility and operations consume fossil fuels is important in determining which projects will drive the greatest emissions reductions.

Processes that require lower temperatures, such as water and building heating, are good candidates for electrification with equipment known as heat pumps. These highly efficient systems often offer a good return on investment when replacing end of life fossil fuel consuming equipment.

In contrast, electrifying higher temperature equipment is less efficient than converting to a heat pump, so the energy savings are not as high. The tool asks for a breakdown of fossil fuel consumption used in building to help identify where heat pump conversions are likely to be viable.

Instruction

Columns D, E, and F ask you to estimate how fossil fuels (such as natural gas, propane, or fuel oil) are used at each facility.

> These three columns must add up to 100% for each site. If the values in columns D, E, and F do not total 100%, an error message will appear recommending that you adjust the allocation so that it equals 100%.

These percentages apply only to fossil fuel consumption (natural gas, propane, fuel oil, etc.) - not electricity. Electricity use is handled separately by the tool.

- **Column D (% HVAC):** Percentage of fossil fuel used for space heating and building comfort.
- **Column E (% Low Temp):** Percentage of fossil fuel used for lower-temperature process heat (generally below 212 °F / 100 °C). Examples include water heating, washing, drying, food preparation, and light industrial processes.
- **Column F (% High Temp):** Percentage of fossil fuel used for high-temperature industrial processes (generally above 212 °F / 100 °C). Examples include furnaces, kilns, ovens, smelting, and combustion-heavy production.

Guidance

The tool will automatically populate the following defaults aligned to the site types listed on tab M1.0 Strategy & Facility Setup. If more accurate data is available for your company, users can override these defaults as needed.

Site Type	% HVAC (Column H)	% Low Temp (Column I)	% High Temp (Column J)
Office	100%	0%	0%
Headquarters	100%	0%	0%
Warehouse	90%	10%	0%
Fleet	100%	0%	0%
Manufacturing	20%	40%	40%
Plant and warehouse	20%	30%	50%
Plant	10%	20%	70%

These are starting points and can be refined later if better data becomes available.

Important Note

These percentages do not need to be the same for Table 1. Near-term Target Year Decarbonization Lever Selection and Table 2. Long-term Target Year Decarbonization Lever Selection. In fact, Trio recommends considering whether high-temp processes can be converted to lower temperature processes long-term to expand the application of heat pumps.

Step 3: Select electrification levers

Context

Electrification is the replacement of fossil fuel consuming equipment with electric consuming alternatives.

This is an important emissions reduction activity, especially when viewed from a long-term perspective. Often, electrification conversions (especially to heat pumps) yield emissions reduction when compared with fossil fuel consumption today.

Over the long-term, the electricity grid is expected to produce fewer emissions due to the increased deployment of renewable and zero carbon energy sources. This trend has and is expected to continue. Because of this, steady planning of equipment electrification is a solid long-term plan for achieving carbon neutrality. Additionally, electricity conversions can be paired with renewable electricity procurement to neutralize reporting carbon emissions immediately.

Instruction

Columns G through I indicate which fossil fuel end-uses should be evaluated for electrification at each facility.

- **Column G (HVAC + Low Temp Elec.):** Replacing fossil-fueled HVAC + Low Temp systems with heat pumps.
- **Column H (High Temp Elec.):** Electrifying high-temperature processes (e.g., electric furnaces or kilns).
- **Column I (Vehicle Elec.):** Electrifying fleet vehicles (reductions will only apply for sites or fleets with entered “Mobile” fuel consumption).

Select "Yes" for each lever you would like the tool to include, or "No" to exclude it.

Guidance

If you are unsure whether a lever is feasible, the recommendation is to select "Yes" for HVAC + Low Temp processes so the tool can estimate the potential emissions and cost impact as a starting point. The outputs can then inform internal discussions about which levers to prioritize.

When you share your tool with Trio, we will review electrification on a site by site basis to recommend where conversion could yield cost savings for your company. This insight will be shared in a 1:1 review session with the Trio team.

Table 1: Near-term Target Lever Recommendations

For **Column H (High Temp Electrification)**, we generally recommend selecting "No" by default, as electrifying high-temperature processes is often not financially feasible with currently available technology. Only select "Yes" in Column H if your organization has specifically identified high-temperature electrification as a viable pathway for the facility type.

For **Column I (Vehicle Electrification)**, we recommend the following:

- Selecting “Yes” on “Table 1: Near-Term Target Decarbonization Lever Selection” for mobile equipment that returns to a site daily (such as forklifts or yard trucks) and operates 1 or 2 shifts.
- Selecting “No” for equipment that operates 3 shifts.
- Selecting “No” on Table 1: Near-Term Target Decarbonization Lever Selection for long-haul mobile equipment due to the lack of charging infrastructure available today.

Note that the default selection is “No” due to the mixed recommendation.

Table 2: Long-Term Target Decarbonization Lever Recommendations

For **Column H (High Temp Electrification)**, we recommend selecting "Yes" for manufacturing and laboratory environments due to the increasing available of electric process equipment and the ability to plan replacements of key process equipment over a longer timeframe. Only select "Yes" in Column H if your organization has specifically identified high-temperature electrification as a viable pathway for the facility type.

For **Column I (Vehicle Electrification),** we also recommend selecting “Yes” on Table 2: Near-Term Target Decarbonization Lever Selection for mobile equipment that returns to a site daily (such as forklifts or yard trucks) and operates 1 or 2 shifts. We recommend considering your long-haul operations carefully. Rail operations, for example, are difficult to electrify even over the long-term. Trucking operations, however, become more viable as charging infrastructure and technologies improve. 3 shift operations or two-man truck routes may still be difficult to electrify over the long-term. Note that the default selection is “No” due to the mixed recommendation.

Note on electrification and fuel switching: Electrification and fuel switching represent two different pathways for decarbonizing the same equipment. If you select "Yes" for both, the tool will only project impacts of electrification as all fuels will be considered eliminated before the fuel switching lever is applied.

To avoid this, we recommend selecting "Yes" for only one of the two columns for a given facility: Column I if electrification is the intended pathway, or Column O if fuel switching (for example, renewable diesel) is the intended pathway.

If your company intends to pursue a mixed-fleet scenario where some vehicles will be electrified (for example, light-duty) and others will switch fuels (for example, heavy-duty long-haul) we recommend representing these fleets on separate rows in the Facility & Vehicle Details so levers can be applied individually.

Step 4: Select fuel switching levers

Context

Fuel switching as modeled in this tool involves the replacement of a fossil fuel with a bio-based alternative. Because bio-based fuels come from feedstocks that absorb carbon, the CO2 emissions associated with their combustion do not need to be accounted for in your scope 1 emissions in your greenhouse gas inventory. This reduces your reported emissions and earns progress toward reduction targets.

Fuel switching may be a useful decarbonization alternative to difficult to electrify high-temperature or long-haul fleet operations.

Instruction

Columns J through L indicate which fossil fuel end-uses should be evaluated for fuel switching

- Column J (HVAC + low temp Fuel Switch): Switching HVAC fuel to a lower-carbon alternative
- Column K (High Temp Fuel Switch): Switching high-temperature process fuel
- Column L (Vehicle Fuel Switch): Switching fleet fuel (e.g., diesel to renewable diesel)

Select "Yes" or "No" for each.

Guidance

Fuel switching is typically a complement to electrification, useful when full electrification is not feasible or affordable in the target timeframe. It is most often used for high-temperature processes or fleet vehicles where electrification is more difficult.

For Columns J (HVAC + low temp Fuel Switch) we generally recommend selecting "No," as these end-uses are usually better addressed through electrification (Column G).

Over the near-term (Table 1), for Columns K (High Temp Fuel Switch) and L (Vehicle Fuel Switch), we recommend selecting “No” as these are high-cost, emerging markets, and often unnecessary for meeting near-term reduction targets (expect for fleet heavy operations).

Over the long-term (Table 2) selecting "Yes" is often helpful to evaluate the potential impact (especially for Fleets), since fuel switching is frequently the most practical decarbonization pathway for high-temperature processes and fleet vehicles.

Step 4 Guidance continued

A reminder on electrification and fuel switching: Electrification and fuel switching represent two different pathways for decarbonizing the same equipment.

If you select "Yes" for both, the tool will only project impacts of electrification as all fuels will be considered eliminated before the fuel switching lever is applied.

To avoid this, we recommend selecting "Yes" for only one of the two columns for a given facility: Column I if electrification is the intended pathway, or Column O if fuel switching (for example, renewable diesel) is the intended pathway. If your company intends to pursue a mixed-fleet scenario where some vehicles will be electrified (for example, light-duty) and others will switch fuels (for example, heavy-duty long-haul) we recommend representing these fleets on separate rows in the Facility & Vehicle Details so levers can be applied individually.

Step 5: Select fuel switch fuel types

Context

There are many types of alternative fuels that suit various end uses. To estimate costs for conversion, it is important to indicate what current fuels are being switched to.

Guidance

When selecting the fuel conversion, base the decision on your most common fuel. While it is possible that you may use more than natural gas alone for low temperature processes, choose your fuel alternative to match your dominant fuel, which is likely to be natural gas for HVAC + low temperature processes.

If you are not sure which fuel to select, the default options of Renewable Natural Gas for stationary applications and Renewable Diesel for vehicles are reasonable starting points.

These selections only apply to the model if the corresponding fuel switching lever in Columns J–L is set to "Yes."

Instruction

Columns M through O specify the replacement fuel to be used for each fuel switching lever selected in Step 5.

- Column M (HVAC + low temp fuel type)
- Column N (High Temp fuel type)
- Column O (Vehicle fuel type)

Select a replacement fuel from the drop-down.

Common selections include:

- Renewable Natural Gas (RNG), typically used to replace natural gas for HVAC, low temp, and high temp applications
- Renewable Diesel, typically used for fleet vehicles

Step 6: Select renewable energy and offset levers

Context

Procuring renewable electricity and carbon offsets are viable methods for reducing the emissions associated with your remaining fuel consumption after all other levers are applied.

> Note that carbon offsets, in particular, should be limited when possible, but emerging renewable thermal credits (RTCs) may serve as a long-term alternative to reduce scope 1 emissions.

Instruction

Columns P through R indicate whether renewable electricity and carbon offsets should be evaluated at each facility.

- **Column P (Onsite Solar):** Select "Yes" if onsite solar should be considered as a way to reduce grid electricity use and associated emissions. The tool will estimate the potential capacity and cost based on facility size.
- **Column Q (Offsite Renewables):** Select "Yes" if offsite renewable electricity (such as virtual power purchase agreements (VPPAs) or renewable energy certificates (RECs)) should be considered to reduce Scope 2 emissions.
- **Column R (Scope 1 Offsets):** Select "Yes" if the organization is open to using carbon offsets to address residual Scope 1 emissions that cannot be eliminated through operational changes.

Guidance

Over the near-term (Table 1.) we recommend selecting “No” for onsite solar due to current equipment and energy costs. Over the long-term (Table 2.), however, we recommend selecting “Yes” for onsite solar as it continues to become more cost competitive over time.

Near-term and long-term, we recommend selecting “Yes” for Offsite Renewables. These may take different forms over time, but generally serve as a high impact means for decarbonization

Note

For Column P (Onsite Solar), the tool relies on facility size (square footage) entered on the M1.1 Site List tab to estimate potential solar capacity and cost. If facility size is not available for all sites, you can still select "Yes" in Column P, but the tool will not be able to generate a meaningful onsite solar estimate for facilities missing this input.

In those cases, we recommend either (1) leaving Column P as "No" for facilities without size data and refining later once square footage is collected, or (2) entering a reasonable estimate of facility size on the site list tab based on facility type or comparable sites so the tool can produce a directional estimate.

For organizations with a large number of facilities, focusing on the largest or most strategically important sites first is often the most efficient approach.

Scope 1 Offsets should generally be considered only after other reduction strategies have been evaluated, and are typically reserved for emissions that are difficult to eliminate through operational changes.

Step 7: Apply grid greening

Context

Grid greening reflects the expectation that the electricity grid will become cleaner over time as utilities add more renewable energy and retire higher-emitting generation. When set to "Yes," the tool applies forward-looking emission factors based on leading projections to estimate what grid electricity emissions will look like in your target year.

Instruction

In Column S, indicate whether grid greening should be applied for each facility by selecting "Yes" or "No" from the drop-down.

Guidance

In most cases, "Yes" is the appropriate selection for U.S.-based facilities. For non-U.S. facilities, this can also typically be set to "Yes," but many countries do not have projected grid greening reduction due to lack of credible data. Where this occurs, selecting grid greening to “Yes” will have no effect on emissions projects.

Note

It is important to keep in mind that even the leading, credible projections are directional and reflect a forward-looking view of how the a grid is expected to evolve, not a guaranteed outcome. If you would like visibility into the emissions reductions required without assuming a greener grid, selecting "No" will provide a more conservative estimate. This approach would isolate the impact of the specific decarbonization actions and emission reduction levers being evaluated, rather than crediting expected improvements in the broader electricity grid.

Step 8: Review selections for consistency

Once Columns B through S are complete, review the tab to confirm the inputs look reasonable across facilities.

Confirm that Columns D, E, and F sum to 100% for every facility.

Confirm that fuel type selections in Columns M–O are populated for any facility where fuel switching is set to "Yes".

Confirm that similar facility types use consistent assumptions where appropriate.

Confirm that the levers selected reflect the scenarios you want to evaluate.

These inputs do not need to be exact. The goal is to capture a reasonable set of planning assumptions that the tool can use to estimate decarbonization opportunities and associated costs at each facility.

Tab Target Year Emission Summary

This tab is for reference only. It illustrates projected Scope 1 and 2 greenhouse gas emissions for the near-term target year and the long-term target year. Use this sheet to understand how emissions are expected to grow if your business continues growing as expected. Edit the target year or the anticipated business-as-usual growth to understand how emissions increases would change.

Interpreting the Decarbonization Strategy Modeling Tool Output

Decarb Dashboard (NT and LT)

The Decarb Dashboard NT and Decarb Dashboard LT display the results of your selected strategy. There are 3 key outputs for each:

- **The [Near-term or Long-term] Target Decarbonization Strategy** provides a breakdown of how each decarbonization action/lever contributes to your emissions reductions. The bottom bar of the graph shows "Remaining Emissions". If this black bar sits below the red Target Line, it means that the stack of reductions from selected actions achieves the reductions needed to meet your target.
- **The financial summary table** shows the projected capital and operating expense impacts for each action/lever as well as that lever's likelihood to achieve an acceptable return-on-investment for your company. There are two key notes worth highlighting:
    - Note that a green circle represents a high likelihood of an acceptable ROI, a blue triangle represents a moderate likelihood of an acceptable ROI, and a red x represents a low likelihood of an acceptable ROI. This table also displays the rolled up capital, expense, and ROI projections of the strategy as a whole.
    - The capital values listed project the **annual** capital investment required to maintain progress toward achieving your strategy. In other words, this would be the amount of capital a business must approve each year, between now and the target year, to achieve the strategy.
- **The target evaluation table** provides a clear statement as to whether the selected actions/levers reduce emissions enough to meet your target reduction percentage.

As a final step to building your strategy, you should use these outputs to optimize your strategy. We recommend the following approach:

- First review the financial summary table. Ask yourself – is my business willing to spend this amount of CAPEX each year on these projects? Is the ROI acceptable to my company?
    - If your capital requirements of your strategy are too high, consider the following:
        - In the following order, consider **decreasing**: facility electrification, onsite solar, mobile electrification, and energy efficiency
    - If your ROI is too low, consider the following:
        - In the following order, consider **increasing**: energy efficiency, mobile electrification, facility electrification, and onsite solar

As an additional, advanced consideration, if the capital requirements of the strategy exceed your company's capability, consider modeling **Energy-as-a Service (EaaS)**.

EaaS agreements are with partners who will fund energy efficiency, electrification, and renewable energy projects and share savings with you over time. These providers will look for good ROI projects that benefit you and their company.

While using EaaS will save you capital, it will also cost you savings, so consider carefully whether the annual expense reduction or the reduced capital is more valuable to your company.

To model this, simply select from the "Model Costs with Energy as a Service" drop-down to see how apply various percentages impact your overall financial outcome. The EaaS modeling applies to energy efficiency projects and facility electrification projects in this tool.

- While editing your action/lever selections to optimize financial performance, continue to watch the target evaluation table to identify whether your reductions still meet your target. Note that while a key goal is for your strategy to meet your target, your strategy does NOT need to meet your target. The primary goal with this evaluation is to identify what is financially viable for your company and determine how that is likely to compare with your target.

Once you have done your best to optimize your strategy and review your **inputs send your strategy to the Trio team and schedule a 1:1 with the Trio team**. We will review your strategy and utilize some advanced tool features to make recommendations on tweaking your approach to provide you with the best possible outcome.


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