

CLIMATE CARETAKERS

Can you grow your company and minimize your effect on the environment?



RISING OCEANS, MELTING glaciers, warmer winters—the list of climate-change calamities goes on and on. But, you say, what in the world can my business do? How can my company make any significant dent in the man-made factors contributing to climate change? The particulars of any given corporate approach will vary widely depending on the size and type of business. But, there are a number of things a company can consider that will both reduce its “carbon footprint” and improve its business performance.

First, figure out your “climate-change impact.” Does your company generate carbon dioxide or other greenhouse emissions from its business activities? What is the carbon dioxide output from company vehicles? How much electricity does your business use? The climate-change impact from all of these activities can be calculated using well-established methodologies.

Second, think about ways to reduce carbon dioxide emissions. Upgrading or modernizing equipment or processes often involves energy efficiency, which means fewer greenhouse gases emitted per unit of output. Changing to energy-efficient lighting and ventilation systems will reduce the emissions of carbon dioxide from the electric power plants that provide your electricity. If your electric utility offers you the choice of using energy generated from wind or other clean power sources, consider making that election. It may cost a bit more in energy costs, but those increased costs may be offset by the savings from energy efficiency.

Third, take advantage of available tax breaks, subsidies and other incentives for reducing energy and carbon dioxide emissions. Many states have tax incentives for conversion of vehicles to clean fuels.

Others offer rebates or other incentives for installation of energy-efficient equipment. And the federal government also provides tax incentives and subsidies for development and implementation of certain energy-efficient technologies.

Fourth, consider becoming “carbon-neutral” by purchasing carbon credits to offset the amount of carbon dioxide emitted by the energy your business uses. Carbon credits are derived from a variety of sources, including power plant and factory shutdowns, reductions from plant modifications and

renovations, and carbon sequestration from reforestation and avoided deforestation. Even though the United States does not participate in the Kyoto Protocol-based carbon market, there are a number of sources of such credits for purchase in the United States. The most well-known is the Chicago Climate Exchange. You can also purchase carbon credits directly from the creator of the credits.

Fifth, if you are able to identify permanent and measurable carbon dioxide reductions from your own operations, you might want to turn them into carbon credits and sell them. There are a number of well-established protocols for verifying carbon reduction credits developed by the World Resources Institute, the California Climate Action Registry, the Climate Trust and the Chicago Climate Exchange, among others.

Finally, educate your employees and sponsor initiatives in your communities to educate citizens on the steps they can take in their own homes to reduce their energy use. It is a good way to gain brand recognition in your market and contribute to the greater good at the same time.

The success of your enterprise depends on energy, creativity and focus. The same is true in devising an approach to climate change that can both reduce your carbon footprint and improve your bottom line. ●

James Holtkamp is a Partner at Holland & Hart, the largest law firm based in the Rocky Mountain Region. He chairs the firm-wide Global Climate Change practice group and is extensively involved in climate-change issues internationally.