

## Is your business ahead of the curve?

The climate in which we all do business is rapidly evolving. The businesses who will weather the changes will be those who anticipate the coming risks and the opportunities, and adapt now to be ready. If you are a business owner and you've been ignoring this, now is the time to wake up and smell the CO<sub>2</sub>. What was "fringe" even just a year ago is about to become the norm. Here's a heads-up: the Pew Center report "Getting Ahead of the Curve: Corporate Strategies that Address Climate Change" has been in circulation a little over a year now... if you are a business owner and you haven't seen it yet, it's not too late to take a look. But now is the time, because the curve has just about arrived.

The Pew report was developed by Andrew J. Hoffman, the Holcim Professor of Sustainable Enterprise at the University of Michigan, together with multi-national corporations such as Shell and Whirlpool, but their lessons can apply to businesses of any size. It outlines three stages of climate-related planning: 1) *Develop a Climate Strategy*, 2) *Focus Inward* on financing and internal support, and 3) *Focus Outward* on governmental policies being developed, and external relations. So what exactly is a "Climate Strategy"? Hoffman describes a four-step planning exercise similar to what our city and college are currently implementing: first, assess carbon emissions; second, look for risks and opportunities; third, evaluate action options; and finally, set goals and targets.

1. Assess emissions - get ahead by knowing where you stand. There are multiple resources now for businesses to inventory their emissions. The Ohio Dept. of Development and Dept. of Energy websites provide links to programs for small and large businesses. Alliance's own Kris Korleski, head of the Ohio EPA, recently sent a letter to major businesses in Ohio suggesting that they might want to track their emissions through the Climate Registry. I thought this rather remarkable, until I researched a little, and realized that 38 of the States (the Great Plains states and Appalachia are a little behind the times), and all of Canada are on-board with the Climate Registry. ...can you see the curve coming?

2. Gauge risks and opportunities – what is your exposure to rising energy costs, or even energy shortages? ...to rising temperatures, which could pose either a risk or an opportunity? ...to changing regulations? How can you minimize your company's risk exposure? What are your opportunities to gain recognition as a leader? How can your company benefit by contributing solutions to the climate issue? Renewable energy and green solutions are an area of growth now, despite possible recession – is this an opportunity for your company?

3. Evaluate Action options – what options are currently feasible? What options would look more attractive if energy prices were to rise significantly? ...if a carbon tax, or cap and trade went into effect? What can you do to make your business more energy efficient and reduce costs in this economic climate? Would it make sense, given the uncertainty of future energy supplies and prices, to investigate on-site renewable energy sources with a stable cost over time?

4. Finally, set goals and targets – setting your own energy efficiency improvements and emissions reduction targets now will help your business to be better prepared for state and

federal action currently in development, and will reduce your company's exposure to requirements later. Make these goals and targets a positive part of strengthening your company's position.

The second and third phases of the Report's Climate-Related Strategy Development involve how to make it all happen, both internally and externally. Internal acceptance and support is easier when incentives reduce the payback period immediately, rather than having to wait for the expected energy rate increases to prove the viability of the system. A combination of state and federal incentives can lower the cost of a commercial renewable energy installation by as much as 80-90%, making it an attractive alternative to uncertain utility costs. The Ohio Department of Development is currently offering commercial and industrial grants for both energy efficiency projects and renewable energy projects. Installers of such systems typically make it easy for businesses by handling grant paperwork. Now, when the federal government is debating tax incentives and economic stimulus packages, is when external involvement is essential. This is the time to make your business needs for climate change preparation known to your senators and representatives.

For resources and connections with what is happening with energy efficient and sustainable businesses in Ohio, don't miss the Alliance Chamber's Energy Efficiency Forum event, 6:15 pm at Robertsons this Tuesday, February 19<sup>th</sup>. This is your opportunity to hear from businesspeople who have had success in this area, and from renewable energy experts who are involved with breaking policy decisions at the state level. Find out how to prepare your business to weather the changes. Be ahead of the curve.

#### **Check it out:**

Pew Center study: "Getting Ahead of the Curve: Corporate Strategies that Address Climate Change": [http://www.pewclimate.org/global-warming-in-depth/all\\_reports/corporate\\_strategies/](http://www.pewclimate.org/global-warming-in-depth/all_reports/corporate_strategies/)

Business Environmental Leadership Council:  
[http://www.pewclimate.org/companies\\_leading\\_the\\_way\\_belc/](http://www.pewclimate.org/companies_leading_the_way_belc/)

Ohio Business Energy Resource Center: <http://www.odod.state.oh.us/businessenergy/>

State Tax Incentives: <http://www.odod.state.oh.us/businessenergy/state-incentives.htm>

Federal Tax Incentives:  
[http://www.dsireusa.org/library/includes/incentive2.cfm?Incentive\\_Code=US02F&State=Federal&currentpageid=1](http://www.dsireusa.org/library/includes/incentive2.cfm?Incentive_Code=US02F&State=Federal&currentpageid=1)

Ohio EPA and Climate Registry:  
<http://www.epa.state.oh.us/pic/nr/2008/january/ClimateChange.html>