



Carbon War Room Strategic Moves to Climate Wealth

Interview with José María Figueres, President
of the Carbon War Room. Interview by A. Tana
Kantor, Edited by Maryruth Priebe



Businesses that ignore the potential for profiting from carbon reduction will miss out on the greatest opportunity for wealth creation our society has seen in a generation, according to José María Figueres, former President of Costa Rica and current President of the Carbon War Room.



That's the view of the founders of the Carbon War Room, an international non-profit organization focused on empowering entrepreneurs to unlock market driven solutions to climate change at the gigaton level.

From where they sit, the challenges of climate change represent a substantial opportunity for profit-making. The Carbon War Room is determined to help innovative, forward-thinking businesses seize the chance to win big by making markets work more effectively, unlocking massive capital.

"There is no miracle trend," explains Figueres. "There is only an opportunity to push ahead and make progress toward a low-carbon economy by encouraging a winning spiral of productivity and competitiveness that combine to create greater efficiency and reductions in carbon. Environmental issues shouldn't be considered a cost anymore, but should be seen as an opportunity to break out of older molds."

What logically follows in this model is an increase in sustainability, which boosts wealth, thereby helping communities

overcome poverty and develop greater wellbeing. Firmly rooted in capitalism, this is a view that sees efficiency, productivity, sustainability, and wellbeing mutually reinforcing one another in a very happy union.

One of the primary areas of focus for the Carbon War Room is technology, but they're not as interested in emerging solutions. Instead, they favor tested and proven technologies already in existence — ones that hold the greatest potential for loosening capital in favor of a greener economy.

Modeled after Winston Churchill's Cabinet War Rooms, which functioned as protected, intelligence-gathering spaces used for the Prime Minister to direct the war, the Carbon War Room is a highly-focused entity fighting a war against climate change. Though a not-for-profit, the Carbon War Room is single-minded in its desire to achieve higher profits for its clients. The name of the game is helping businesses achieve carbon emissions reductions in a way that provides them with greater profits than business as usual would lead them to believe possible.

Stimulating Transportation and Beyond

To date, the Carbon War Room has been active on a number of fronts. They're working with the aviation industry to help develop renewable jet fuels, and predict between 10% and 20% of all fuel used for mid-sized airlines could be replaced by renewables. Maintaining their focus on proven technologies, the Carbon War Room has produced actionable research on jet appropriate fuel sources, including hydro-processing renewable oil (HRO), thermochemical conversion of biomass, and advanced biological conversion systems using algae or yeast.

Working with both suppliers and buyers of renewable jet fuels, the Carbon War Room hopes to overcome some of the bigger obstacles to proliferation of these types of fuels, including access to pricing information, scalability of the technology, and industry confidence in alternative fuels. Their work has culminated in a comprehensive resource online: www.renewablejetfuels.org.

Attacking transportation from another angle, the Carbon

War Room has been collaborating with organizations such as the World Wildlife Fund, the Clean Shipping Coalition, and the International Maritime Organization (IMO) to help the floundering shipping industry stay afloat during a serious global trade slowdown. By developing a ground-breaking Energy Efficiency Design Index to measure fuel efficiency of the global fleet, the aim is to allow the industry to accurately test, compare, and improve their vessels' performance for the first time.

Using existing technologies such as hull coatings, propeller "Boss Cap Fins", air lubrication systems, and alternative power through wind, solar, and fuel cells, the projected potential savings in improved fuel efficiency are \$50 billion annually. This recent work builds on the Carbon War Room's previous achievement of creating the first-ever eco-labeling program for the shipping industry, with an online tool that lets industry leaders see the status of 70,000 of the world's commercial ships: www.shippingefficiency.org.



"Stop whining about the costs of environmental sustainability and open your eyes to the prospect of achieving higher profits through the more efficient use of natural resources."

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Rewarding Businesses: the Gigaton Awards

The Carbon War Room’s annual Gigaton Awards are handed out to best-in-class businesses that have chosen to make carbon reductions central to their activities. Offering awards in five categories — consumer discretionary, consumer staples, industrials, telecommunications, and utilities — the Gigaton Award nominees receive their honors based on their emissions disclosures and progress toward reducing their

carbon footprint compared to the previous year. All nominees are measured first against the [Carbon Disclosure Project S&P 500 Report](#) and then evaluated based on ethical and carbon-related criteria by an independent panel of judges.

Like everything else the Carbon War Room does, the Gigaton Awards were created to inspire and challenge businesses to run in the most carbon-efficient way possible, and the leaders are making impressive strides. The 2011 nominations went to companies such as [Fiat](#) for setting carbon cuts of 35% starting in 2009, which they are achieving through the purchase of certified renewably-sourced projects, energy efficient manufacturing systems, and improved employee awareness. [Danone](#) was also recognized, not least because the company has chosen to offer incentives to managers and directors by incorporating emissions reductions into the bonus system. Their carbon reduction efforts resulted in a 22% decrease in emissions from 2008 to 2010.

Government Financing: Doing Without

And if you think the Carbon War Room is advocating increased government involvement to achieve its dreamy goals, think again. In its view, real progress can be made outside of policy making when it is led by visionaries who seek out and snatch up opportunities others have overlooked.

As Figueres put it, “Fifty percent of global carbon can be reduced without any need for government regulation or legislation. That is the space in which the Carbon War Room operates.” ■



1 gigaton is the equivalent of 142,857,142 African elephants.

The Carbon War Room annual symposium, "[Creating Climate Wealth](#)" brings together hundreds of industry leaders in a two day marathon of breakout sessions, focus groups and roundtables. Those groups — through teams and sub-teams — select a topic for the War Room to focus on in the coming year. The War Room awards \$20,000 in seed funds for the project. Their criteria are:

- Are the opportunities presented profitable and at a gigaton scale?
- Have the market failures been identified and does

solving them play to our unique assets?

- Do we see a strong chance of catalytic verifiable success?
- Do we feel the time is ripe for this project, and is there internal and external appetite to get started?
- Would \$20,000 invested be cost effective?'

Once selected, the team crafts next steps for actions that can make a difference. In the last year, the focus was on developing PACE programs in cities (see below), and this year the focus is on transportation fuels. Going

forward, they will invest their resources in order to:

- Enlist an interim project leader to scope out a potential operation in more detail.
- Disseminate research on the efficiency potential of the Information Communications Technology in the Trucking sector and fuel use in North America.
- Hold targeted convenings in both North America and the United Kingdom to refine the action plan with all CCW (Creating Climate Wealth) delegates. ■

\$1B in Tax Benefits, 40,000 Jobs Created

That's the results from the Carbon War Room's participation in PACE, the Property Assessed Clean Energy program. Bringing together key partners, the PACE Commercial Consortium includes:

- [Lockheed Martin](#) and [Barclays Bank](#) have helped drive expansion of the commercial and industrial markets with over \$160 million invested in the Sacramento, CA and Miami-Dade County, FL communities.
- [Ygrene Energy Fund](#) sets up funding programs under a city's auspices for enabling borrowers to qualify to receive money for making energy efficiency retrofits secured by an assessment on their property.
- [Energi Holdings Inc.](#) provides insurance, guaranteeing returns in the event of unexpected energy market fluctuations.

Carbon War Room research has concluded that every \$1 million invested in building efficiencies creates \$4 million in tax revenue, \$10 million in economic activity, and 60 jobs. Using this multiplier in their work with two city-based programs in Miami-Dade, FL and Sacramento, CA, PACE was able to deploy \$650 million in investments, which created 40,000 jobs and \$1 billion in tax benefits.

Their hope is that PACE will cross the \$1 billion investment mark in the next few months, firmly establishing their program as an international example that can be applied in other countries. Ygrene is already on its way to China. ■

 [About PACE video here](#)

[NY Times: Tax Plan to Turn Old Buildings 'Green' Finds Favor](#)

[PACE Commercial Consortium: Ygrene PDF](#)