

POINT OF VIEW

# The Big Green Lie

*The Hope and the Hype*

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Someone asked me recently, "I know green is popular now. But what's next?"

I said: "Honesty."

Consultants tell you that green business is profitable. Stories of businesses successfully implementing green programs are all over the media. Former EPA chief William Reilly touts a new green business book as "a compelling blueprint for how companies can address critical environmental problems, from climate change to water, and improve their performance, gain competitive advantage, make money, and win friends." It sounds so tidy. But it's not. Implementing sustainable business practices is closer to trench warfare than surgery.

I work at a business—Aspen Skiing Company—that is remarkably supportive of environmental projects. Yet we find that it's very difficult to do what matters most from an environmental perspective: cut carbon dioxide emissions. We've eliminated millions of pounds of CO<sub>2</sub> through retrofits, green construction, on-site renewable energy, and widespread efficiency measures, but our emissions are creeping upward. At the same time, scientists say we must achieve 80 or 90 percent reductions to slow climate change.

We struggle with barriers that are seemingly universal in the business world. For example: this year our various departments submitted \$40 million in requests for capital spending (new roofs, retiling a leaky hotel swimming pool), but the company only has \$9 million budgeted. The important green projects—a solar electric installation or energy-saving repairs to a heating system—might be out-competed by that roof leaking onto a guest's bed. Necessities may trump even profitable green projects, especially if those projects aren't profitable enough.

Other companies struggle too. Wal-Mart is spending \$500 million annually on green programs. But last November the company released its first sustainability report, which showed CO<sub>2</sub> emissions climbing an average of 8.6 percent from 2005 to 2006. What's going on?

Cutting CO<sub>2</sub> emissions is difficult, even for a motivated company. That's because energy is cheap; there's limited incentive to conserve it. Businesses will cherry-pick projects that save the most energy at the lowest cost but decline to make the deeper, less profitable (or even costly) emissions cuts necessary to solve the climate problem.

Meanwhile, making money means creating more carbon emissions, often through growth. The reality that finding emissions reductions isn't like hitting the jackpot over and over again may come as a surprise. After all, the story we tend to hear is that such actions are cost-effective, smart, and relatively easy to pull off. Governments want their typically lame, voluntary "technical assistance" programs to appear successful. Nonprofits and consultants make their case, or their money, by selling the "green is green" story. And corporations are often pitching profitable environmental progress to customers as well as shareholders.

Where does hope end, and hype begin? It is not that businesses can't cut emissions profitably (to a point), or that existing efforts are pointless and futile. It's that at current energy prices, even ragingly successful emissions reductions will only cut your emissions by a third, at best, because it isn't profitable enough to do more. But we must do much better than that, and soon.

Instead of being Pollyannas crowing about a climate-solutions cakewalk, let's be realistic about the scale of change needed. The most important corporate climate action might not take place in the factory or the boiler room, but in Congress, in the streets, and on the barricades.