SLIDES: Got Government? A Look at What’s Behind Solving Climate Change in the Private Sector

Tom Arnold

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TerraPass Inc.

Got Government? A look at what’s behind solving climate change in the private sector

NRLC
June 8, 2006

Tom Arnold
CEO, TerraPass
Tom@TerraPass.com
The Landscape

• Homogeneity & Enormity of Climate Change
• The Inaction Trap
  • Politicians can’t do it without the constituents
  • Business can’t do it without business models
• But change is happening and private sector is involved
  • Consumers are getting involved. Seriously. No Really. (Tom)
  • Carbon Markets are creating some winners that benefit (Evan)
    • Regulation looks to private sector as a key mechanism for flexibility
• Risk Management and the drive to build a “carbon competitive advantage” is building broad sector support (Joe)
Disclosure/Caveats/Warnings

- I run the largest carbon offset program in the US
- Until Feb, our headquarters were my dining room table (small market!)
- We are structured as a for profit (a lesson in Structure vs Reality)
- I am not here to sell you a TerraPass (very inefficient use of my time)
- But, help yourself to a coupon
CO₂ and other greenhouse gas emissions contribute to global warming.
Our personal lives are a major contributor to climate change

**CO₂ emissions – U.S.**
- Electrical utilities 37%
- Transportation 31%
- Industrial 21%
- Residential 7%
- Commercial 4%

**Transportation – U.S.**
- Cars 41%
- Light-duty trucks 21%
- Other trucks 16%
- Aircraft 11%
- Other 6%
- Buses, boats, trains 5%

* Source: as cited in Ford report on climate change*
The TerraPass experiment, 18 months later

• 6800 TerraPass Members, each offsetting ~ 12,000 lbs CO2
• Media: CNN (2), NYT (3), Business Week (4), NPR, USA Today – 88 articles in ~ 14 months
• But much more importantly over 900 blog posts
• Agreement with Ford Motor Company to co-market (Greener Miles)
• Lots of interest and sales from Small Businesses
  • My Brand
  • My Culture
I mean, I love going out with her... but I always feel guilty afterward.
Our First Eponymous Product

**TERRAPASS**

restore the balance

www.terrapass.com

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Getting consumers engaged is the first challenge

“TerraPass is mind opening” - Ned Ford, Sierra Club

Your car puts several tons of CO2 in the air every year. With TerraPass, you can take it back out.

Undoing the global warming impact of your car’s CO2 emissions is easier than you think.

TerraPass funds clean energy projects like wind farms, methane capture and more.

Third-party organizations verify that TerraPass has a guaranteed impact.

TerraPass is surprisingly affordable – a whole year of emissions for as little as $29.95.

Ford and TerraPass announce Greener Miles program for Ford, Lincoln, and Mercury owners.
Product Overview

Product Concept Overview – the automobile example

TerraPass owners take action to mitigate their car’s CO₂ emissions by collectively funding renewable energy projects that reduce CO₂.

1. Your car emits 10,000lbs (about three times its weight!) in carbon dioxide (CO₂) each year, contributing to the global warming problem.

2. You purchase a TerraPass.

3. TerraPass owners collectively subsidize projects that reduce CO₂ emissions.

4. Your TerraPass purchase is certified to eliminate the equivalent of your car’s CO₂ pollution.
Offset Portfolio is balanced equally across three strategies:

- **Clean Energy**
- **Industrial Efficiency**
- **BioGas**

CFIs (Bilaterally) by CCX - Chicago Climate Exchange

Auditing & Verification performed by CRS
So yes, CO2 is reduced, but what else is going on

- A demonstration that it is **easy** to fight climate change
- A tool for conversation with friends & family
- Making you feel different about the way you live your life
- An inspiration to leaders in government and business
- Making all the above part of “what you are about”
I received my stuff from TerraPass today. It included a cling decal that verifies how much CO2 I'm offsetting, a Climate Balanced Driver Info card to keep in my glove box, Green-e Product Content Label from 3rd party auditor, and a bumper sticker.

Be it known unto all kindreds, tongues and people, nations, principalities and governments, the above listed individual has offset this car's CO2 emissions for a year and thereby lays claim to all the privileges associated therewith, i.e., peace of mind, satisfaction and general good driving karma.

Renewable & Terrapass.com

TerraPass

Tags: living green
The private sector is creating the building blocks of a regulated market

- Private sector builds political will/capital
- Consumers want:
  - A way to feel different about things
  - Social Credit for doing something good
  - Information, Articles, Calculators, Protocols....
  - Businesses to be rewarded for doing good (gasp!)
- Carbon Markets, even voluntary ones:
  - Flip the problem
  - Get businesses involved
  - Start learning/reporting groundwork
This baby internal combustion? Let me see your license, registration and proof of carbon offsets.