

LOS ANGELES BUSINESS JOURNAL

Defending State Environmental Law

Small-business owner finds enacting AB 32-like reductions in carbon emissions saved his company money.

By **TOM BOWMAN**

Monday, May 3, 2010

There's been a lot of talk lately about how California's landmark Global Warming Solutions Act, also known as AB 32, will cripple businesses, cost jobs and undermine the state's economic recovery. But rolling back AB 32 would be a prescription for failure.

I have run a successful small business for more than two decades and I know that constant change is a fact of life. During my tenure, we've adapted to clean air rules that, while challenging at first, have improved our health. We've gotten used to the higher cost of doing business in an increasingly virtual world. It makes no difference whether new challenges are created by government, competitors, or customer demands – businesses must constantly innovate in order to thrive.

Learning how to reduce carbon pollution is no different. So even though small companies will not be regulated by AB 32, I decided to find out whether deep, voluntary reductions in carbon pollution are affordable. I wanted to know whether a small company, using its own resources, could meet or beat AB 32's goals.

I began by looking for help. Our utility company provided free CFL light bulbs, which saved us a few hundred dollars, but we were using too little energy to qualify for incentives on cooler roofing, insulation, air-conditioning upgrades or more efficient windows. And since, like the vast majority of California's small companies, we spend a tiny fraction of our budget on utility bills, the long payback for a solar carport and a heat-reflecting metal roof are out of reach.

But these dead ends led to a crucial discovery that AB 32's opponents seem to have missed: The financial return on energy efficiency is not limited to utility bills alone. It also includes savings on maintenance, supplies and gasoline. Pursuing this strategy, my company slashed its carbon footprint by an astonishing and independently verified 65 percent in just two years. We paid for our efforts in about 15 months and now enjoy an annual savings of nearly \$9,000.

These are great results by any measure, and in 2009 the California Air Resources Board recognized my company as a CoolCalifornia Small Business of the Year. In truth, we did nothing extraordinary. We traded an SUV for a hybrid car and plugged equipment into power strips that we switch off at night. We replaced several office machines with a single multifunction unit. When our air conditioner broke down, we upgraded to the most energy-efficient model we could afford.

Challenging ourselves

Going beyond these verified results, we also instituted a telecommuting program and reassigned supplier management to employees who commute past supplier facilities on their way to work. By challenging ourselves to adjust these management habits, we've slashed business driving nearly in half. Perhaps the biggest surprise is that nobody sacrificed comfort or quality in the process. On the contrary, our clients are delighted and our employees are invigorated. We even added two new staff positions this year.

Innovation is always good for business; in fact, it is necessary.

Unfortunately, AB 32's opponents complain that investing in our future is a burden. It can certainly seem that way at first; it seemed that way to me before we figured out how to move forward. But my company is not clinging to the past because, in truth, embracing change energizes businesses, stimulates growth and creates market leaders.

California has long been an innovator, and California's marketplace is certainly changing. Our already ballooning population will grow by another one-third over the next 40 years. At the same time, global energy demand will increase by half. We will need to invest in new infrastructure to accommodate this growth, and we must also become significantly more energy efficient. Hoarding profits now, while ignoring these realities, is the very definition of shortsightedness and greed.

In the end, keeping up with change comes down to each one of us: your family, your company, your community and mine. We can't rely on someone else to get the job done for us. Turning the corner requires a statewide mobilization for energy efficiency and competitiveness. Every small business has an important role to play in these innovations because we are inherently nimble and self-motivated. We might not be accustomed to getting much help, but we are quick to respond when someone shows us how to do things better.

My company's experiment does just that. We've shown what the economic analyses of AB 32 have been saying: that slashing carbon emissions is not only easy, it is also cost-effective. And, showing leadership has enhanced productivity and customer loyalty. That doesn't sound like a burden we ought to oppose. Rather, it sounds like an opportunity that Californians should pursue.

Tom Bowman is president of Bowman Design Group, a Signal Hill company that specializes in exhibitions, events, multimedia and print communications. He also is president of Bowman Global Change, which helps institutions and businesses make sustainable transformations.

<http://www.labusinessjournal.com/news/2010/may/03/defending-state-environmental-law/>