



By Tom Schuman

Balancing Act

Green Movement Takes Some Hits

Balance is good. Whether focused on individual equilibrium or presenting both sides of a complex issue, steadiness and fairness are part of a desired equation.

Balance is unfortunately missing many times when the topic is our environmental future. Proponents of the “going green” movement are often quite zealous in their advocacy. True opponents many times willfully disregard the impacts of human actions on the world around them. Meanwhile, some find themselves in a silent third tier for fear of economic repercussions (in other words, it’s not cool to be anti-green).

Over the last three years, *BizVoice*® has presented this annual “green” issue to highlight companies, products, services and initiatives that feature, first and foremost, sustainability. Some provide answers to a better way of doing things, while a few undoubtedly were created to cash in on the green movement.

The gravitation toward green has been more like a runaway freight train in many cases. But some recent developments have challenged the green express. Consider the following:

- While green energy sources such as wind, solar and other renewables continue to grow, there is still a large gap between what supporters believe is possible and critics believe is realistic in terms of percentage of overall electricity produced
- A recent Gallup poll found the public more concerned about energy production than environmental protection
- LEED (Leadership in Energy and Environmental Design) has achieved rock star status in building development, but several recent studies show energy usage not matching the efficiencies envisioned in earning the prestigious certification
- Green jobs have been touted by some, debunked by others. Where does the economic truth lie?

In seeking a balanced perspective on these issues, where does one go? How about to Philadelphia and Scott Edward Anderson. He is an investor and entrepreneur, formerly holding a management position with The Nature Conservancy, among others. His consulting and advisory firm focuses on the clean technology, energy and environment sectors.

Anderson is also a frequent guest on Fox Business Network. That likely evolved out of his development of “the green skeptic™” blog. On the blog, Fox Business host Stuart Varney calls Anderson “the voice of common sense from a seasoned environmentalist.”



Scott Edward Anderson shares his perspective on the green skeptic™ blog.

We'll let Anderson tackle the topics mentioned earlier and a few more. In researching his work and after our discussion, I would say he brings a balanced perspective to the table.

Story behind the name

Anderson: "People ask me all the time, 'Why the green skeptic? Are you a skeptic about climate change or skeptical about green.' My answer is that I'm skeptical by nature, and we all need to be. Skepticism is a hallmark of the human mind, and we need to treat all these things with a certain amount of skepticism.

"We need to step back, say what's real about these statements, what are the assumptions people are making that we need to challenge. In the long run, it will help us, benefit us more.

"Look at what happened with the corn ethanol thing; everybody jumped on that bandwagon, then suddenly that wasn't a good thing. Everybody thought that was the solution and then you find out it was affecting commodity prices, food prices around the world; it's affecting land that is being converted in places where you don't want it to be converted. It's all these unintended consequences that nobody thought through. If they had taken a step back and maybe done some scenario planning or thought through what are the implications of our actions, is this really the best use of this resource ...

Energy outlook

What are the possibilities compared to reality in the world of electricity production?

Anderson: "That's the question of the decade, I think. It's a real challenge; it's hard to get things moving as fast as people would like. There is a sort of duel between the incentives on one end and the disincentives on the other. One of the biggest hurdles is the need for a level playing field.

"Everybody talks about how alternative energy is not feasible without huge subsidies, and therefore it's a long way off. The fact is other energy sources receive significant subsidies as well, whether in the form of tax credits or direct injection of cash under more favorable terms. It's still going to take time

for alternative energy to catch up. We haven't been focused on the R&D that needs to go into it. We've kind of lost our stride.

"But one of the things people don't remember or realize is that these other sources (oil, coal, gas) are not going away any time soon ... here or in China or India. They are going to be with us awhile. We have to deal with that on both sides, figure out how to all work together and support the transition. Any transition, wood to whale oil, whale oil to petroleum, it's always a long transition period."

Lack of R&D?

Anderson: "We really need to focus on bringing the costs down, the cost per kilowatt hour or energy measure. It's been very, very difficult for companies to accelerate that process without the capital. For instance with the Internet, and the precursor to the Internet, there was a massive amount of R&D money that went into building that, largely through the Department of Defense and others.

"We just haven't seen that in this sector, and there's not a lot of private capital going into R&D; there's too much risk involved and it's difficult for investors to have that long-term view. We're playing catch-up in many respects. We're missing an opportunity to redevelop our manufacturing base in this country."

Survey says

In March, for the first time in the 10-year history of the Gallup poll question, more Americans (50% to 43%) favored energy over the environment. The exact wording of the question: With which of these statements (rotated for different respondents)





Offshore oil drilling, already a divisive issue across America, will continue to be debated as a result of the Gulf Coast spill and its aftermath.

Is money from Washington creating jobs? The skeptic is skeptical.



do you most agree: Protection of the environment should be given priority, even at the risk of limiting the amount of energy supplies (such as oil, gas and coal) which the United States produces OR development of U.S. energy supplies (such as oil, gas and coal) should be given priority, even if the environment suffers to some extent?

In 2007, the answers were 58% for the environment and 34% for energy.

Anderson: "It will be interesting to see if they do a follow-up on that in wake of the Deepwater Horizon oil spill. It's interesting because our energy demand in the U.S. is going down; it's not increasing. There are peak times when we need more energy, issues with the grid and blackouts and brownouts, but overall it's not as much that we need more production as we need more efficient production, better sources, more reliable sources and better distribution.

"As far as electricity, China has a huge demand that is only increasing and will continue to increase. We're not seeing that same sort of growth here. The shift should be to focus on more efficiency, making

better use of what we have and improving that grid and transmission."

LEEDing the way?

Why has LEED become so popular? One report noted that it helps builders gain tax credits, attract tenants, charge premium rents and project an image of environmental responsibility. Critics say that "image" overshadowed other factors and that results would never match assertions used to gain the certification in the first place.

Rob Watson, generally credited for developing the LEED system for the United States Green Building Council, wrote in 2009 that when it came to energy savings, "Some LEED buildings are not performing as expected given their design and technology elements."

Watson also noted: "Early versions of LEED had flaws in the way energy efficiency was evaluated. LEED now requires evaluation based on whole building energy consumption and minimal energy performance." His 2009 report also asked and answered this basic question: "Do LEED buildings save energy compared to standard buildings or not? Overall, the answer is an unequivocal 'Yes.' "

Anderson: "I had the CEO of an international construction company, which does a lot of green building, call me and say the only problem with LEED-certified buildings is once the tenant moves in you have no control. Everything changes. It looks good on paper, but once you get it in operation it comes up to the building operator to maintain that level. If someone leaves a window open or the front door open, you get a massive shift. People have a difficult time managing that on a day-to-day basis.

"I've heard plenty of complaints from architects and builders (about the LEED process) that it's not the easiest and maybe not even the best system, but it's the best we have right now. But in terms of what happens once the tenant moves in, you just don't want all that sustainability you built into it to go out the window."

Job dollars and sense

Another popular term, often coming from government, is "green jobs." But questions linger over the definition and

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the amount of government incentives required. The National Center for Policy Analysis released information earlier this year that cited government support as costly in these countries:

- For every green job created by the Spanish government, 2.2 jobs were lost as energy-intensive businesses either closed down or moved to other countries with lower energy costs
- Fewer than 10% of Danish workers in the wind industry were in new jobs (the rest shifted from other industries) and government spent \$90,000 to \$140,000 to create each wind position
- Germany has spent \$101 billion on subsidies for wind and solar production since 2000 to produce less than 7% of the nation's electric power. Each new job has required an average of \$240,000 in subsidies

Anderson: "I'm not a big proponent of the government making jobs. It worked during the Works Progress Administration, but that was special time, a special era. What's happened in the last year and a half is that we've seen growth in government jobs, but I don't think it's translated into real high-wage jobs.

"One of the dangers in the green job movement is that if it's solely focused on installation jobs or retrofitting jobs, you're not going to create a lot of those. What is critical are the long-term manufacturing jobs. Where are the companies going to locate that are going to create the kind of large infrastructure requiring highly skilled workers in volume. I don't see the green jobs movement

or what's been done thus far really getting to that. We're losing sight of manufacturing in this country. We need to get back to making things instead of creating something out of nothing."

Public perceptions

That balance referred to in the opening of this story continues to be missing in environmental discussions. The gap, Anderson offers, has grown.

Anderson: "On both sides there is a chasm that is really hard to cross over. On the green side, on the proponent side, their messages have become too strident, too holier than thou, too greener than thou. They've become very heavy-handed in this whole notion of climate crisis, oil imperative. ... I think it really turns people off and makes that gulf wider in terms of opponents and proponents.

"And it makes it harder for people in the middle who may agree, who might say 'Yeh, this is the right thing to do ... cleaner environment, safer for my family and you can get the costs down.' It's happened on both sides. You have people who are very strident, passionate, zealous to the point of really turning people off."

INFORMATION LINK

Resource: Scott Edward Anderson at www.thegreenskeptic.com

HOLDING ON HAS
CONSEQUENCES



ESPECIALLY IF IT'S UNCLAIMED PROPERTY.

Be sure to turn in all unclaimed property to the Indiana Attorney General's Office by November 1, 2010 to avoid interest and other penalties. Businesses with unclaimed property may participate in a one-time only Holder Amnesty Program to comply with the law and avoid penalties. For more information, visit our website or call 1-866-IN-CLAIM.



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