



Table of Contents

Latest Developments at NCS: Be Careful Not to Blink	2
Small is Beautiful + Profitable	3
Practicing what we Preach	3
Alaska!	4
Coal Plants in Transition	5
Working in our Backyard	6
Thought Leadership for Executives	7
Implementing Sustainability	7
Employee Engagement— <i>A Natural Foods Company</i>	7
Environmental Purchasing Policy - <i>Red Bull Energy Drink</i>	7
Product Validation - Sustainable Cards, LLC	8
Implementing the Integrated Bottom Line – <i>A Local Colorado Food Company</i>	8
Climate Capitalism	8
FIT Coalition	9
Recent Publications	9
Events Calendar	10

Latest Developments at NCS: Be Careful Not to Blink

by [Toby Russell](#)

We're almost a third of the way into 2010 and a lot has already happened at Natural Capitalism Solutions. The most visible change is our [new website](#) (same address, www.natcapsolutions.org) which launched earlier this year. It has all the same great content as our old site but has a fresh new look and feel.



Jeff Hohensee's role at has changed from CEO to Vice President. Jeff will continue his work with NCS' consulting services team. This transition will allow Jeff more time to write with Hunter, work on the CSU Executive Education Program (see below) and hopefully finish his book "*Natural Change*." To fill this void I have been asked to step in as CEO. I am honored to be given the opportunity to work alongside Hunter Lovins with an incredible team beside us.

We also have a prominent new addition in [Bill Becker](#) who joins the Natural Capitalism Solutions as the Executive Director of the [Presidential Climate Action Project](#) (PCAP). PCAP has submitted more than 200 policy and program recommendations to the Obama Administration, many of which were adopted during the President's first year in office.



Having weathered what is hopefully the worst of the recession the opportunities in front of NCS are extremely promising. We have been beta testing our offerings for small and medium businesses and are very excited to be rolling them out. We continue to build our list of corporate clients and have also released two major reports that create the economic case for a new energy future.

Hunter is running really fast, speaking coast to coast, writing two books, and teaching at [Presidio Graduate School](#). Her recent audiences have included the Environmental Protection Agency, the U.N., senior management at a major airline, the Green Festival, chambers of commerce in several states, the National Association of State Legislative Leaders, and the nationwide viewers for the PBS showing of The American Experience, which featured Hunter. She does make it into the office from time to time but if I blink I miss her. The truth is that we're all moving pretty fast but exciting things are happening.

We appreciate your support and I look forward to keeping you informed about developments as and when they happen.

Toby Russell

Small is Beautiful + Profitable

Over the last two years Natural Capitalism Solutions has been developing an interactive learning tool to help small businesses implement sustainability. We had initially hoped this would be completed by summer of 2009 but as we got further into development we hit a major setback—we kept wanting to give it more bells and whistles.

NCS is very excited to be launching phase one of [Solutions @ the Speed of Business](#) in two weeks. This will include six basic modules that are applicable for every small business: lighting; heating & cooling; office equipment; water; waste; and transit & travel. These modules will help small businesses determine what measures they should take and gives the users step-by-step instructions on how to implement them. In addition it monitors savings, calculates the businesses carbon footprint and provides an array of tools to help engage with employees and external stakeholders.



We have also partnered with Elliot Hoffman (founder of [Just Desserts](#)) and Steve Wilton (former President of [Wilton Armetale](#)) to start a for profit company that will use *Solutions @ the Speed of Business* tool as the backbone for sustainability learning circles. Each circle brings eight businesses together for six full days over a seven-month period. So far we have started two circles in the San Francisco Bay area and we're getting ready to launch the first one in the Bolder/Denver metro area. This is the perfect companion to our online tool as it adds an in-person coach, a greater depth of materials, and access to a peer community that supports and motivates each participant.

We struggled to find a name for this company until Hunter suggested we use [Natural Capitalism, Inc.](#) We are very excited to now have a sister organization helping us to meet the sustainability needs of small and medium business that have, until now, largely been ignored.



In order to help market and sell *Solutions @ the Speed of Business*, learning circles and our other services we are excited welcome [Kara Seeley](#) as our Business Development Director.

Practicing what we Preach

As you may already know, we moved out of our office in Eldorado Springs last May, and this March 2010, we excitedly signed the papers to purchase our office in Longmont, Colorado. Though the views and hikes from Eldorado Springs were heavenly, we enjoy having a general store, lovely café, post office, and local fire department next door or across the street as well as a wonderful view of Longs Peak and the surrounding mountains and fields.



To celebrate our new office we invited neighbors and friends to a party, included a roast cooked by Hunter, exciting games of croquet, delicious beer donated by [Avery Brewing Company](#), and of course a broad selection of whisky. Our ability to practice what we preach by implementing sustainability efforts within our own building is great. We've already replaced the least efficient windows, begun basic weatherization, installed natural ventilation and efficient lighting, fixed leaks, started a composting program, and replaced the extremely inefficient prehistoric furnace, with a 98% efficient gas unit.



Not only are we improving our office, but a few of us have also worked hard improving our homes this past year. Hunter recently had a 5kW solar array installed at her home. This was facilitated using the Climate Smart loan program that Boulder County offers where funding for efficiency improvements comes from the County and the repayments are added to the property tax. She also removed and replaced old damaged insulation, had a blower door test done and

implemented necessary caulking, sealed the basement, insulated under the floor, and installed super windows on the North side of the building. Jeff Hohensee also made major efficiency improvements to his house this year that were featured in several articles. His home was an energy pig that is now net zero thanks to improvements like significantly increasing insulation, installing a 10kW solar array, and replacing doors, windows, light bulbs, toilets, showerheads, appliances, and more. For more information on the improvements to Jeff's home, check out the article in the [Daily Camera](#).

Alaska!

In the fall of 2009, Matt Rafferty of the Alaska Conservation Foundation asked Hunter Lovins for advice on how Alaskans could increase the efficiency of the use of electricity in the Railbelt region around Anchorage, Alaska by 25% by 2025. Hunter answered, "That's a tame goal, why don't you aspire to something significant?"

"Like what?" Matt asked..

"How about 50% by 2025?"



The Alaska Conservation Foundation gave the Alaska Conservation Alliance a grant to hire Natural Capitalism Solutions to propose how to do it. Through the leadership of Natural Capitalism Solutions' Senior Consultant, Paul Sheldon, the Natural Capitalism Staff, and an outstanding team of interns and peer reviewers, the result is the ***Railbelt Electricity Efficiency Landscape (REEL) in Alaska Roadmap***, which demonstrates how Alaskans in the Railbelt region can meet their real electricity needs, with up to 50% greater efficiency by 2025 (as compared to the year 2000).

Setting a destination of improving efficiency by potentially as much as 50% may sound like a lot, but actually only represents an improvement of 3.3% per year over the next 15 years. This would be achievable just through harvesting “low-hanging fruit.” A combination of market-based incentives and clearly stated policies, backed by appropriate and affordable financing, for improvements in lighting, heating, ventilation, appliances, machines, and infrastructure would do the job. Sections of the *Roadmap* address each of these opportunities.

A summary and the full *Roadmap* are available on the Natural Capitalism website at: www.natcapsolutions.org/Alaska

Coal Plants in Transition

When does it become more profitable NOT to operate an existing coal plant?

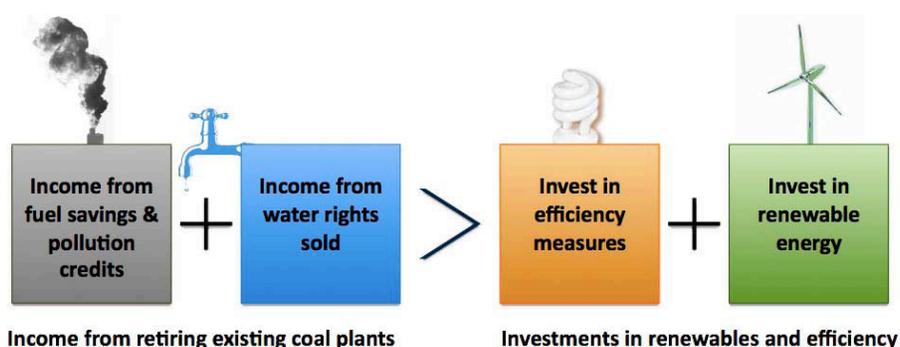
This was the breakfast conversation topic between Roger Clark, of the Grand Canyon Trust, Bob Gough of Intertribal COUP, and Natural Capitalism's Senior Consultant, Paul Sheldon one fall morning in Boulder.



At Roger's suggestion, Natural Capitalism applied for and received a grant from the Western Clean Energy Campaign, to explore the conditions that would have to occur for it to become more profitable to invest in efficiency and renewable energy than to operate an existing coal plant.

The resulting formula looked something like this:

If the price of carbon and renewable energy credits exceeds \$35/ ton of CO₂ equivalent; and if the value of the water rights owned or controlled by the coal plant exceeds \$650/ acre-foot of water; and if the savings from not buying coal for fuel exceeds \$2.40/ million BTU's, then investing in various combinations of efficiency improvements and renewable energy technologies may be more profitable than operating the existing coal plant.



To reach this conclusion, Natural Capitalism's staff and interns worked diligently to compare three different scenarios, using an Excel-based spreadsheet calculator designed and developed by Paul Sheldon, Emily Evans, and Nick Sterling. Low, medium, and high assumptions were used, basing the calculations on the illustrative example of Navajo Generating Station in Page, Arizona, near the Navajo Nation. When the calculations were complete, the result was that investing in efficiency and renewable energy would create and sustain more jobs, while returning \$157.6 million more revenue than operating the coal plant.

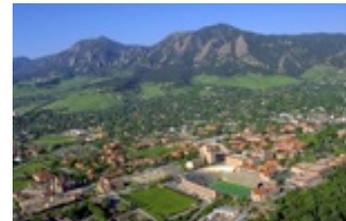
Since the release of the report this spring, a proposed coal plant in the Four Corners region was canceled, and it now appears that the Navajo Generating station may be closed. Good work, team!

A summary and the complete ***Coal Plants in Transition*** report, as well as the spreadsheet calculator, are available for download from the Natural Capitalism website at: www.natcapsolutions.org/coal

Working in our Backyard

With the failure of the Copenhagen Climate Conference, action on preventing runaway climate change has shifted to local municipalities and counties. Hunter, Paul, and Jeff have continued to work with cities around the world to implement profitable, low carbon ways to deliver energy to citizens. Here in Boulder NCS has worked with a large group of local leaders to turn around a slowly emerging climate action plan. Jeff announced to a large group that "We need to move from social marketing to social mobilization," and now Social Mobilization has become the buzz in Boulder's climate protection leadership.

In February, Plan Boulder County, the group responsible for Boulder's Open Space, recognized the effort, awarding Jeff and other local activists a citizenship award from Plan Boulder County on behalf of Boulder-Climate Action Network.



In April NCS joined with [the Organic Center](#) and [Sterling Rice Group](#) to host a meeting of local leaders with Bill McKibben, author of the new book *Earth*, and founder of the global citizens' movement [350.org](#).

Hunter, Paul, and Jeff currently serve on half a dozen technical teams: residential, commercial, finance, social mobilization, climate summit, and decarbonization. These technical teams, appointed by the city manager, are comprised of local climate leaders, academic, scientific, and business leaders, and city and county staff. They are guiding Boulder's efforts to radically reduce GHG emissions, while meeting all of Boulder's end-use needs in elegant, affordable, convenient ways. The race to meet the Kyoto climate reduction goals continues.

Thought Leadership for Executives

Natural Capitalism Solutions has partnered with Colorado State University in Ft. Collins, CO, to develop a Sustainable Executive Education (SEE) program. CSU's leading stature as a research university blended with NCS' thought leadership and track record will enable SEE program participants to gain a comprehensive perspective on sustainability.

SEE combines three critical elements: participant engagement with the field's thought leaders like Hunter, Andrew Winston and Janine Benyus; classroom relationships with credentialed content experts; and coaching and facilitation in classroom and business settings by accredited coaches with deep knowledge of business realities. The first course for the SEE program will launch in July, with another cohort entering in September. Please contact Jeff Hohensee if you want to achieve executive certification through the SEE program.



Implementing Sustainability

From a national natural food company, to local businesses, the NCS team has been hard at work helping companies put the Natural Capitalism principles to work.

Employee Engagement—A Natural Foods Company

NCS has been working with a leading natural foods company for over two years to integrate sustainability across its business operations. Recently the NCS team finished a sustainability education and training curriculum, ensuring that all employees can have a baseline understanding of sustainability, from which the company can build. The curriculum was broken into the six areas of; Soil Health, Farm Communities, Energy, Water, Waste, and Climate Change. The employee training went live in early 2010 and reviews have been great. Additionally, NCS worked to compile the company's first public report on their sustainability initiatives, which was just released to much fanfare.



Environmental Purchasing Policy - Red Bull Energy Drink

Since late 2009, NCS has been helping Red Bull create an environmentally preferable purchasing policy for all of the company's marketing and promotional materials. The NCS team has developed a unique approach to evaluating the upstream purchasing impacts of Red Bull's purchasing decisions, helping to provide the necessary training and information to help ensure that employees are buying sustainable products wherever possible. After the formal adoption of the purchasing policy by Red Bull later this month, NCS will look to further increase sustainability across corporate operations.



Product Validation - Sustainable Cards, LLC.

NCS worked with Boulder based company, Sustainable Cards, LLC, to raise the level of sustainability in an industry mainly ruled by plastic products. Sustainable Cards bases its products in a renewable resource, wood. It is working to make its manufacturing and sourcing processes more sustainable. NCS supplied product validation to evaluate their products, supply chain, and marketing claims. The company's flagship product of wood based key cards for the hospitality industry was the main focus of the engagement. NCS reviewed the companies supply chain by identifying key issues or hot spots with sourcing, manufacturing, toxics, use, and end of life disposal.



Implementing the Integrated Bottom Line – A Local Colorado Food Company

NCS is excited to work with several companies to develop a customized “Integrated Bottom Line” (IBL), to identify and monetize specific sustainability criteria that advance the business case for sustainability. NCS will integrate sustainability criteria into traditional financial reports to produce an evaluation tool for further verification of sustainability assets and reduced liabilities.

The integrated bottom line differs significantly from a “triple bottom line.” In the IBL, all measures are combined on one balance sheet and one income statement instead of separated into three balance sheets covering profit, people, and planet. In triple bottom line reports, people and planet typically are tacked on as cost centers rather than included to produce financial contributions to the businesses.

The integrated bottom line helps companies move beyond the traditional bottom line that ignores the majority of the information executives, investors, financial analysts, and owners actually need in order to judge whether a company is truly prospering and helps a company move forward in a world in which behaving in an unsustainable manner is eroding genuine value.



Climate Capitalism

Hunter Lovins has teamed with Boyd Cohen, founder of CO₂ impact, to write *Climate Capitalism*, the sequel to *Natural Capitalism*. Profiling hundreds of examples of entrepreneurs making money in ways that solve the climate crisis, *Climate Capitalism* describes the good news that has largely been hidden as the science has turned increasingly grim.

We can solve the climate crisis, and at a profit. Climate Capitalism tells the stories of inventors, major corporations, communities, and main street businesses who are cutting their costs, driving innovation, inspiring their employees and building prosperity by investing in energy efficiency, renewable energy and a host of technologies that deliver services in smarter, low carbon ways. Collectively these measures can be the basis for

a new economy that delivers more jobs, enhanced prosperity, and a future that is more attractive than what we have now.

The book, to be published by Farrar, Straus, Giroux early in 2011, offers a vast menu of ways that you can become a climate capitalist, too. Preorder your copy on Amazon, or better, ask your local bookstore to order copies. As publication date comes nearer, we'll be releasing stories from the book, so watch for them here. Now Hunter and Boyd just have to finish writing it all.

FIT Coalition

This spring NCS became the non-profit home of The FIT Coalition, sponsoring groundbreaking work in California to implement Feed-In Tariffs, considered the single most important policy measure to support the transition from unsustainable fossil fuels to a clean energy economy.

The FIT Coalition is a leading force in implementing Feed-In Tariffs and other global renewable energy best practices throughout the United States. The Coalition's mission is to identify and advocate for policies that will accelerate the deployment of cost-effective renewable energy in the United States. The FIT Coalition believes the right policies will result in a timely transition to renewable energy while yielding tremendous economic benefits, including new job creation, increased tax revenue, and the establishment of an economic foundation that will drive growth for decades. The FIT Coalition is active at the national, state, and municipal levels. To learn more, visit www.FITCoalition.com.



Recent Publications

Rebecca Harell Tickell interviewed Hunter Lovins in her new book [*Hot, Rich, and Green*](#).

Boulder Chamber of Commerce awarded Hunter the Women who Light the Community Award, read about it in the [Boulder County Business Report](#).

[Sustainable Industries](#) Magazine interviewed Hunter Lovins in their April Issue. [Click here](#) to read the article.

Events Calendar

18-23 May	San Francisco, CA	Presidio Graduate School Residency
25-28 May	Raleigh, NC	North Carolina State University CIMS
25 May	Pleasanton, CA	City of Pleasanton
29 June	Ames, IA	BioChar Conference
21-24 July	Ft. Collins, CO	CSU SEE program
26-29 August	San Francisco, CA	Presidio Graduate School Residency
24 September	Silver Springs, PA	Mother Earth News Fair