



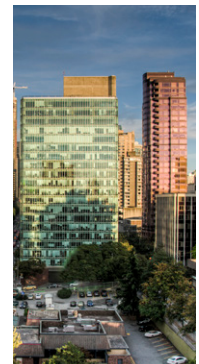
SESSION REPORT:

ZERO EMISSIONS, BIG BUSINESS



**How Can the Private Sector
Help Cities Deliver on the
Promise of Paris?**

GLOBE 2016 | March 2, 2016





INTRODUCTION

Renewable Cities partnered with GLOBE Series to curate a session at the GLOBE 2016 Conference & Expo in Vancouver, British Columbia on March 2, 2016. Our session explored the role of private sector businesses in helping cities achieve ambitious renewable energy and climate goals. Speakers for the event included:

- James Alexander, Director, Economic Development C40 Cities for Climate Leadership
- Brian Geller, VP Corporate Sustainability, Citi Bank
- Pekka Sauri, Deputy Mayor, City of Helsinki
- Katie Walsh, Cities Manager, CDP
- Elizabeth Yee, Director, Partnerships, 100 Resilient Cities

Renewable Cities' Executive Director, Michael Small, moderated the session. He opened by introducing Renewable Cities and the speakers to the audience.

PRESENTATIONS



Katie Walsh, Manager of the city platform at **CDP**¹, spoke to actions that cities are currently taking: Of the 308 cities that report to CDP's platform, 30% are actively working on decarbonizing their energy supply. Of those cities, 30% are setting renewable energy targets, and many of those have already achieved their goals. On the corporate side, CDP also tracks companies taking aggressive measures to address climate, and saw a large uptick in respondents in the lead up to COP21² in Paris—currently 370 companies are setting science-based emissions-reductions and renewable energy targets. Walsh then spoke to the Canadian context: in the last year, 12 Canadian companies adopted targets for emissions reductions, seven of which were a direct result of Vancouver Economic Commissions'³ Climate Pledge⁴.

Walsh noted that not only do cities need input from the private sector and want to be partnering with private sector companies, but companies are often looking to cities for projects that are investable and bankable.

1- <https://www.cdp.net/en-US/Pages/HomePage.aspx>
2- <http://www.cop21paris.org>

3- <http://www.vancouvereconomic.com>
4- <http://www.vancouvereconomic.com/blog/news/vancouvers-climate-pledge-and-the-changing-economy/>



James Alexander, a Director at **C40**, began his remarks by noting that one of his big takeaways from COP21⁵ was the sheer number of cities that are now taking part in the climate change

conversation on the world's stage. He stated that cities don't have the luxury of pretending that the problems of climate change aren't real; local governments are very aware of impacts of climate change and are pragmatically taking action to protect their citizens. The 83 cities that make up the C40⁶ are home to 50% of the world's population, and almost all report being vulnerable to impacts of climate change, and 70% say they are already feeling and seeing these impacts on the ground in their cities.

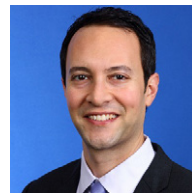
Mayors know they can't undertake climate action alone and that they need to be engaging with other levels of government and the private sector, the media, citizens, and others. As much as mayors have powers to take necessary action in reducing emissions, they usually don't have the financial resources or the financing available to be able to act. Alexander cited the City of Vancouver's work in understanding and growing the local green economy as a critical step towards reducing emissions.



Elizabeth Yee, a Vice President at **100 Resilient Cities**⁷, described her organization's definition of resilience as encompassing not only resilience in the face of

climate change, but also how cities adapt to the challenges of urbanization and globalization. She cited a surprise snowstorm in Ramallah, Palestine and Hurricane Sandy on the East Coast of the US as examples of the confluence of climate change impacts and urbanization. Yee stated that, thanks to our ancestors, cities were built in beautiful and strategic locations that are often incredibly vulnerable.

Resilience thinking, Yee suggested, means not addressing only environmental or economic health alone, but instead thinking through strategies to enhance both of these measures together. Yee cited Norfolk, Boulder, and Rotterdam as examples of cities that have projects where the public and private sector collaborate towards resilience.



Brian Geller, a Senior Vice President at **Citi**⁸ discussed some of the work that his bank—the third largest in the US—is doing to enable progress towards meaningful climate action in

cities. Citi is working with C40 and a number of other organizations in order to create entirely new finance mechanisms to help solve some of cities' current problems in developing financing.

For Geller, one of the key roles of finance is to help manage risk. He offered a recent example—the Citi-financed replacement of the City of Detroit's streetlights with LEDs, which was accomplished during Detroit's bankruptcy. The infrastructure challenges cities experience don't always fit with traditional financing mechanisms, Geller noted. It can be challenging for the private sector to work in cities, as the needs and requirements on both sides aren't always in alignment.

Geller shared a story of the financing of the first transatlantic cable, which was a process that was difficult and took many years, because without it working properly, there was no way to quickly and easily communicate. Financing helped bring two sides together to work through the best solutions to a problem, to help take sensible risks and investigate failures.

5- <http://www.c40.org/tags/cop21>
6- <http://www.c40.org>

7- <http://100resilientcities.org>
8- <http://www.citigroup.com/citi/>



Pekka Sauri, Deputy Mayor of the **City of Helsinki**, described how moving Helsinki's working port from the inner city to outside of town provided a great opportunity for inner city

development and urban renewal. He also cited a number of innovative projects in Helsinki where the private sector and the local government collaborated. One example is a partnership where the city can be used as a test bed for new technologies—real life experiments in a “living lab”; the City of Helsinki enabled the project by leveraging finance from both the public and private sectors.

The City of Helsinki has branded these kinds of sustainability initiatives with the name “Finland 25/7”⁹, which is intended to indicate that by investing in smart, green solutions, an extra hour can be added to the day. The concept is that “smart city” initiatives improve the quality of life for citizens.

DISCUSSION

Following presentations, Michael Small opened up the dialogue portion of the session. He began by asking **Deputy Mayor Sauri** to elaborate on how cities can help business provide the kinds of solutions that municipalities need. Sauri stated that the City of Helsinki has a tolerant attitude towards risk and that businesses need testing grounds to experiment. In Helsinki, a working group connected to the Smart and Clean Foundation¹⁰ helps to direct investments in innovative pilots and experimental and technical solutions and services.

James Alexander of C40 shared the example of the Danish Outdoor Living Lab¹¹ in suburban Copenhagen where companies can test urban lighting and smart city solutions in a “city setting”.

Alexander also discussed the impact that cities can have in developing sustainable purchasing and procurement policies. Historically, cities have run procurement programs by setting tight specifications for the solution that they want to implement. New thinking about procurement suggests that to help develop innovative solutions, cities might instead work on carefully defining the problems they have, and allow businesses to offer solutions that might address those problems. By defining the challenges, businesses and cities can work together to find creative solutions, which is the idea behind C40's new City Solutions Platform¹².

Elizabeth Yee of 100 Resilient Cities supported these ideas by stating that many companies want to better understand what cities are looking for; when the challenges that cities face are properly defined it is easier for local governments and the private sector to work together. Despite the local contexts of cities, often times a solution developed for one city can be scaled or used in multiple jurisdictions.



9- <https://www.youtube.com/watch?v=fDfLEbW8FTc>
10- <http://www.sitra.fi/en/news/carbon-neutral-industry/new-smart-clean-foundation-brings-helsinki-capital-region-fre>

11- <http://www.lightinglab.dk/UK/>
12- <http://internationalcleantechnetwork.com/project/collaboration-between-c40-and-icn-when-cities-meet-clean-technologies/>

DIALOGUE

Michael Small then asked the audience to contribute their advice as to how cities and the private sector can best collaborate. The first comment was invited from Julia Langer, CEO of the Toronto Atmospheric Fund¹³ who shared the following response to the panelists' presentations:

- *The private sector needs to help set the agenda and the vision for a low-carbon future and not wait to be invited to act by cities. There can be no “us vs. them” when we’re talking about climate change. We all need to work together.*
- *Politicians need to be given the courage to make long-term decisions.*
- *Leadership is incredibly important, both in cities and in the private sector. Someone always has to be the first to try a new financial mechanism or a new approach.*

Small then invited the audience to comment, starting with participants who represented city governments:

- **Patricia Heintzman, Mayor of Squamish, British Columbia:** *The District of Squamish is building the clean energy economy through collaboration: Recently, the District has put partnership agreements in place with the University of British Columbia for an oceanfront campus and welcomed Carbon Engineering¹⁴ to open a pilot plant in the region. Rather than leave these partners to deal with bureaucratic issues alone, the city gave a warm welcome by assisting with regulatory and other permitting issues.*
- **Participant from City of Everett, Washington:** *There is still too much timidity on the part of the private sector. Where are the insurance, investment, and banking communities having conversations about needed infrastructure investments? Are they talking about replacing current infrastructure, or are they thinking critically about what will be needed in the future? Future storm volatility, for example, means that current infrastructure may not meet the needs of the future.*
- **Participant who formerly worked for the City of Saanich, British Columbia:** *As part of a sustainability and environment declaration, the City included a 10% sustainability criterion in its procurement bidding process. This small shift created competition and shifted purchasing and procurement to favour the most sustainable offering.*

13- <http://taf.ca>

14- <http://carbonengineering.com>

Next the floor was opened to participants who represent private sector companies that do or would like to do business with cities:

- A consultant shared that he had recently moved back to Canada from Finland, and was very impressed with Finland's ability to decouple long-term decision-making from political cycles.
- A participant who works on energy efficiency commented that she would love to have cities identify building owners that would be helped by energy efficiency upgrades. She would like to see more partnerships developed between building owners, cities, and residents associations to increase energy efficiency.
- A participant commented about the length of time it can take to re-imagine new uses for older and underused buildings and city assets. For example, the old stockyard in London, England has been transformed into a financial hub. He wondered whether there was any way to reduce the cost of lost opportunity due to delays.
- A participant wondered if there was a way for cities to create new property tax assessment categories that apply only to green buildings. There needs to be incentives for carbon neutral buildings, and the property tax assessment office could be one way to approach this challenge.
- An advisor that helps cities develop sustainability reporting strategies commented on the need for integrated thinking in decision-making, and wondered how to best connect social, environmental and other factors in the city-planning process.
- A participant that works in the health care sector commented on how hospitals might offer a vision of public-private partnership development, and suggested a "Corporate Shared Values" approach to developing partnerships between private and community actors.



The moderator returned to the panel for reactions to the participants' comments.

Deputy Mayor Sauri commented on the need to get people to integrate social, environmental and other perspectives in city-planning. The City of Helsinki formerly used a multitude of strategic plans for different aspects of the City's operations, but in 2004 Helsinki City Council moved to one master strategy.

Sauri also spoke to the need for innovative procurement policies and procedures, and suggested that cities might use their leverage in purchasing power to try to de-risk solutions.

Brian Geller commented that due to the size of his company, undertaking smaller projects can sometimes be a challenge. Citi has developed an urban innovation fund that is not limited to environmental or sustainability-related projects, but can invest in smaller-scale projects. Geller described a recently launched 10-year, \$100 billion environmental finance goal which is not a specific fund, but rather a programmatic goal to track and measure the social and environmental impacts of funding programs. He closed by stating that there is a lack of data on infrastructure risk: we don't yet know what to call a 100-year storm that happens at a 3-year frequency.

Elizabeth Yee spoke to how 100 Resilient Cities is working to get financial rating agencies and investors to consider value accrued by incorporating resilience frameworks. These

concepts are tricky to finance because there's no clear revenue stream or debt service—how do you account for cost and loss avoidance gained from planning resiliently? Yee also declared that 100 Resilient Cities is interested in applying resilience principles to corporate structures and are working on ways to signal resilience principles in the market.

James Alexander had two closing comments: 1) There is real power in making public commitments, whether for cities or companies. Committing to publically report emissions each year is a risk, but cities and companies that have done so have seen real rewards; 2) Integrated solutions are really important. Cities have a real role here because they think about issues from a systems perspective—cities influence where people live, how they work, what they do, and how people move.

Katie Walsh reacted to the question about whether or not investors are waking up to the need for climate action. She noted that at COP21 in Paris, former New York City Mayor Michael Bloomberg and the Bank of England announced a taskforce to look specifically at how companies evaluate climate risk. Cities and companies share a responsibility to provide information, share how they are addressing climate concerns and meeting targets they have set. Understanding this information is key to standardizing investment criteria for climate and energy projects in cities.



CLOSE AND PARTICIPANT FEEDBACK

Michael Small closed the session by thanking the participants and panelists for their comments and asked audience members to answer two questions on feedback cards. The questions and answers are as follows:

Question 1: What low-carbon municipal climate and/or energy policies can best help develop the local economy and attract investment? Can you offer examples?

Clear targets rather than policies to motivate participation and create focus. Track progress with indications for accountability	More financial incentives for green buildings
Create a separate commercial zoning category for green buildings and building that consume less than 110 KWh/m ²	Industrial ecology, facilitating exchange of materials and services
Solutions to encourage the movement of people with minimal carbon	Investments in meat replacements would decrease GHG emissions
Stop providing municipal solutions – tell us clearly what you want to achieve and let us deliver	Re-thinking zoning laws to create lower carbon cities by promoting multi-use zones that bring together communities, reduce transport needs and attract vibrant investment
Need corporate energy efficiency targets that increase over time	Ambitious long and short-term targets with measurement and reporting requirements
Green taxation categories	

Question 2: What do cities need from the private sector to achieve their renewable energy or climate targets?

New funding models needed	Don't make everything so expensive! It's tough to get city councils to approve projects that are both expensive and high-risk
Need to displace gasoline and diesel use with CNG or LNG	Require all energy is metered and billed directly to the consumer
Productivity and value-added products and services	Integrated solutions that address multiple topics
Support and partnership	Help understanding project processes (bidding, finance, policy)
Cities needs to recognize and incentivize all commercial and residential buildings to meet minimum requirements for sustainability for both construction and demolition	

ACKNOWLEDGEMENTS AND CREDITS

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About Renewable Cities

Renewable Cities is a global program of Simon Fraser University's Centre for Dialogue in Vancouver, Canada. Our mission is to support cities through the transition to 100% renewable energy and increased energy efficiency.

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Author: Kathryn Sheps, Renewable Cities, SFU Centre for Dialogue

Editors: Keane Gruending, Renewable Cities, SFU Centre for Dialogue and Angela Paley, Renewable Cities, SFU Centre for Dialogue

Formatting and layout: Keane Gruending

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Contact information

Renewable Cities
Simon Fraser University Centre for Dialogue
3300-515 West Hastings Street
Vancouver, British Columbia
Canada
V6B 5K3

Email: info@renewablecities.ca
Telephone: 778-782-8851
www.renewablecities.ca



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