**GGRF – CARB – Oakland Aug. 10, 2015 5-8PM**

**This is the combined statement of Elliot Hoffman, Miles Hoffman, James Nixon – all associated with REV (**[**www.revsustainability.com**](http://www.revsustainability.com)**) and offered this testimony at the GGRF – CARB workshop in Oakland on August 10, 2015.**

We are voicing our strong support for CARB and the Greenhouse Gas Reduction Fund to make significant investments in California’s small to mid-size enterprises (SMEs), organizations and communities in order to drive major GHG reductions in the near and long term.

**Elliot Hoffman** is the founder and CEO of REV

**Miles Hoffman** is the REV program manager, responsible for identifying various experts (lighting, HVAC, climate change, energy, renewables, etc. and engaging them in REV’s Sustainability Circles as a key component of the educational and training REV brings to Circle Participants (mostly SMEs).

**James Nixon** is Co-Founder and Principal at Sustainable Systems, Inc. an advisor and contractor for REV, and has been involved in issues of sustainability and sustainable economic development in Oakland and the Bay Area for over 30 years.

REV is a California-based business devoted to accelerating the transformation to a new mindset of sustainability, energy efficiency and resource productivity in California. 100% of our revenue is derived from working with businesses and communities to accelerate their sustainability journey. **Core to our mission and our deepest passion** is to drive massive reductions in GHG emissions in our state.

**Our key messages are the following:**

**Invest GHG Reduction Funds in California’s SMEs** – at REV we are already unlocking the secrets to engaging SMEs and enabling them to save money, energy, water, waste and **significant GHG emissions.** SMEs need investment funding to go deeper and faster.

**Invest in education and training for SMEs –** as long as it results in specific initiatives and actions resulting in GHG reductions. Education and training are vital for GHG reductions, especially for this sector of society and the economy.

**Invest in behavior change –** Change in culture and behavior is what’s needed and that requires investment and consistency over time. It’s important to change our light bulbs- it’s more important to turn them off on a bright sunny day. Nearly 50% of our downtown commercial buildings have their lights on during the day when natural light provides almost all the light we need – especially when the sun is shining. This is merely one simple example of what behavior change can accomplish. We have many inspiring stories from REV Circle participants that demonstrate the power of education and training, and behavior change in terms of GHG reductions and numerous co-benefits.

REV is already achieving stunning results with SMEs and communities in just our first few years which clearly demonstrates that,

1. There is enormous potential to unlock major GHG reductions in SMEs and communities in California in a fairly short period of time for a small investment.

2. There are existing programs in California that show real promise and with greater focus and investments can scale faster and deeper – I include companies like REV, organizations like the California Green Business Network, and others.

3. Engaging cohorts of local peer-communities is an innovative, affordable, impactful and highly scalable model to engage tens of 1000s of organizations over the next 5-10 years and achieve major reductions in GHG emissions while producing many other important co-benefits – like retaining and creating good jobs for Californians and healthy, resilient and aware communities.

The following are average projected **annual recurring** savings per organization from 75 participants in 8 circles that completed the 6 month REV Sustainability Circle program as of May 2015.

1.5mm kwH of electricity

2.1mm gallons of water

$316,000 / year in cost savings

**1059 tons of GHGs** (roughly 10,000 tons per Circle of 10 organizations)

By multiplying our projected number of Circle participants over the next 3 years alone our projected GHG reduction totals for the 3 years = < 5.5mm tons savings; assuming a10 year life per initiative = 55mm tons GHGs.

The GHGs locked in SME organizations is huge. SMEs are usually left out because they are tough to reach and engage. If we are willing and ready to invest real money in this sector we’ll make serious GHG reductions and through the cohort model engage whole communities to reduce their GHGs in very cost effective ways.

In conversations with business leaders across the state, it’s clear that large companies are moving forward investing millions in everything from EV fleets and renewables generation, to developing supplier scorecards and community engagement. They have the resources (both personnel and cash) to take these steps. But SMEs (the vast majority of businesses in CA) are struggling to keep up as they often lack the resources to cohesively plan & implement more than one/two stand-alone projects a year. And many of the experts REV talks with are trying to reach this hard to reach segment – constantly running into the resource shortage issue.

This project-by-project approach – lighting today, HVAC in 4 months, water, waste in a year, does not work to create sustainable work cultures and a continuity of engagement. SMEs need well thought out customized action plans that give them a road map, specific initiatives, including metrics and any required investments, ROI, payback, savings, and engages the workforce in a way that proliferates innovation and empowerment. This is essential to engaging California’s SMEs, k-12 education and communities in the goal of greatly reducing GHG emissions in the state.

REV offers the opportunities, knowledge, tools and guidance for these organizations to revitalize their culture, purpose, vision, strategies and actions to align with what the world needs in these times – massive and immediate GHG reductions and the transformation to a new mindset of sustainability. In order for these entities to commit to change - time and money must be invested in people, process and planning, not just a project. SMEs need this support if they, and their stakeholders are to fully engage in the work to reach California’s GHG reduction goals.

In the broader context, REV is working with growing numbers of communities where the Circle Participants are interested in not only their own businesses and organizations, but in the well being, sustainability and resilience of the entire community. The Petaluma Circle is an excellent example. They will present their Sustainability Action Plans in October 2015.

**Petaluma Circle** – a community of 10 local companies and organizations within the Petaluma community. Most are well advanced in their own sustainability journey but all committed to creating a community that will attract more businesses that are committed to sustainability and a clean environment and attracting employees and families with the same commitment. This Circle includes: City of Petaluma, Petaluma City Schools District, Petaluma Valley Hospital, Santa Rosa Junior College and six dedicated local businesses: Straus Family Creamery, Lagunitas Brewing, Amy’s Kitchen, Petaluma Poultry, Traditional Medicinals, Foxtail Golf Course.

In total, these Circle participants employ over 7,500 people and directly touch over 20,000 families in Sonoma County. They will likely reduce their costs by $3-5mm per year, cut water use by 25-30mm gallons of water, reduce energy use by 15-20mm kwH, and reduce their aggregate GHGs by 12-15,000 tons in this one Circle of ten participants.

There is substantial potential for investing in GHG reductions in SMEs based on what REV has already demonstrated.

The average projected annual GHG savings for each REV SME participant developing a Sustainability Action Plan is 1,059 tons a year, and the average projected annual net financial savings for each REV SME participant is $316,000 a year.

There are approximately 200,000 SME commercial utility customers with from 50 to 2,500 employees in the state of California.

If the 200,000 California SMEs were to reduce their GHGs by the average REV participant that would yield 211,800,000 tons of average annual GHG savings from the SME sector. And over the ten-year life of a REV model Sustainability Action Plan that amounts to 2.118 billion tons of GHG savings from California SMEs.

If the 200,000 California SMEs were to save the average amount saved by REV participants, which would yield $63.2 billion in net annual savings. Over the ten-year life of the REV model Sustainability Action Plans, it is possible for SMEs to receive $632.2 billion in net savings.

And this doesn’t address the other 1.8 million small businesses with under 50 employees. REV is just starting to work with this group, so projections from them will be coming soon.

However, these results require implementation of the full REV model, whether done by REV and / or in some other way. The full REV model means:

* Comprehensive education and training for SMEs to produce integrated Sustainability Action Plans.
* Investment in implementing GHG reduction initiatives.
* Focus on behavior change and the integration of behavior and technology

The potential for SME GHG emissions reduction and net savings is tremendous - 2.118 billion tons of GHG savings and $632.2 billion in net savings for SMEs over the 10 year life if average initiatives.

This clearly demonstrates the importance of focusing on SMEs and their communities and of providing funding for:

* Comprehensive education and training for SMEs
* Investment in implementing GHG reduction initiatives.
* Promotion of behavior change.