

Clean tech a bright spot in economy

At a time when it's increasingly difficult to get financing, some new businesses are striking gold. Or maybe green.

Businesses that can demonstrate environmental sustainability and community stewardship are of interest to a new breed of bank. ShoreBank Pacific of Seattle is one such bank.

"If there's a bright spot in the economy this year, it's in clean technology," said Jae Easterbrooks, a vice president commercial relationship officer with ShoreBank Pacific. "We want to finance businesses or projects that help the environment or that have a sustainable benefit in their community."

Like other banks, ShoreBank Pacific looks at various criteria before it lends money. The cash flow part is one of the most important criteria. It's also an area where ShoreBank customers often look for help via carbon credits.

A carbon credit is essentially paying another company to reduce its carbon footprint so

your company doesn't have to.

For example, let's say that Company A emits 350,000 tons of carbon each year. Its annual carbon emission

allowance, however, is only 300,000 tons. Company A can either choose to change its operations so it reduces emissions by 50,000 tons, or it can pay Company B — via carbon credits

— to reduce its emissions by that much. Either way, 50,000 tons less of carbon is released into the atmosphere.

ShoreBank Pacific honors these carbon credits, often as collateral. Granted, the bank scrutinizes the guarantor just as it would with any financial transaction, but this type of cash flow certainly isn't mainstream.



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Economic diversity

The idea of carbon credits originated in Europe. And in the U.S., the credits are rapidly gaining value and more groups want to be involved in brokering them. What lags right now is the delivery mechanism from carbon creditor to lender. Easterbrooks calls it "a work in progress."

In Washington, some groups are selling carbon credits for upwards of \$40 per ton, but the average is \$6 to \$8. Sellers of the credits range from individual investors to commercial companies.

"Times are changing," says Mike Davis, Associate Laboratory Director for Pacific Northwest National Laboratory's Energy and Environment Directorate. Regardless of exactly how it shapes up, the United States is moving toward climate change policy that will dramatically change

the landscape for energy- and environment-related business opportunities. Entirely new markets, new business models and new ventures for entrepreneurs are certain to emerge."

Look around you if you're wondering why the Tri-Cities should care about carbon credits and innovative financing. We're a bevy of green technology ideas, as well as entrepreneurs.

ShoreBank Pacific often puts its feelers out in this area. When it comes to renewable energy-type business, Easterbrooks says, "The Tri-Cities is the pocket to think about first in Washington state."

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