



Monetisation

and the Common Carbon Metric

Ché Wall



Building Emissions can be Reduced by...

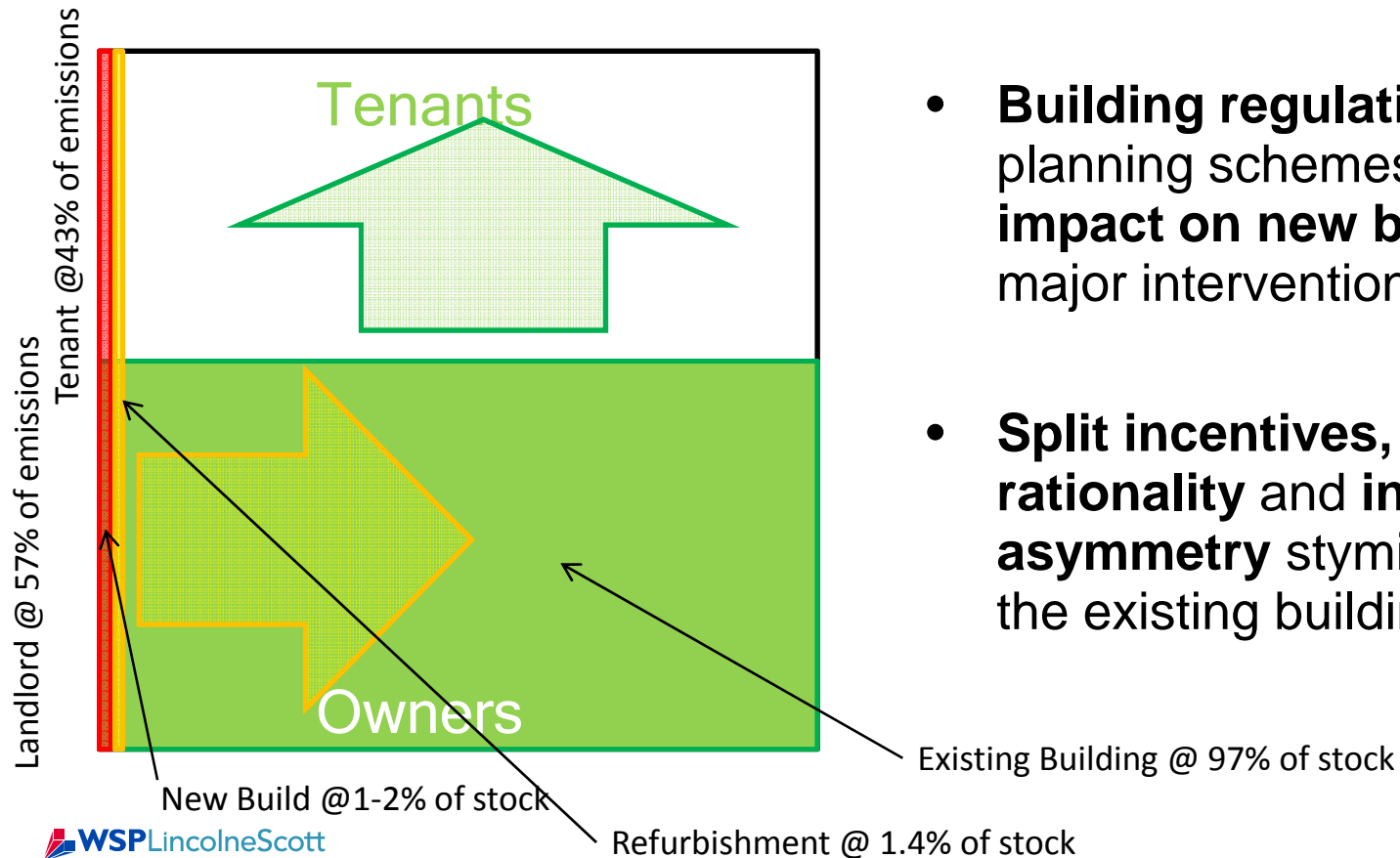


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...using today's skills and technology

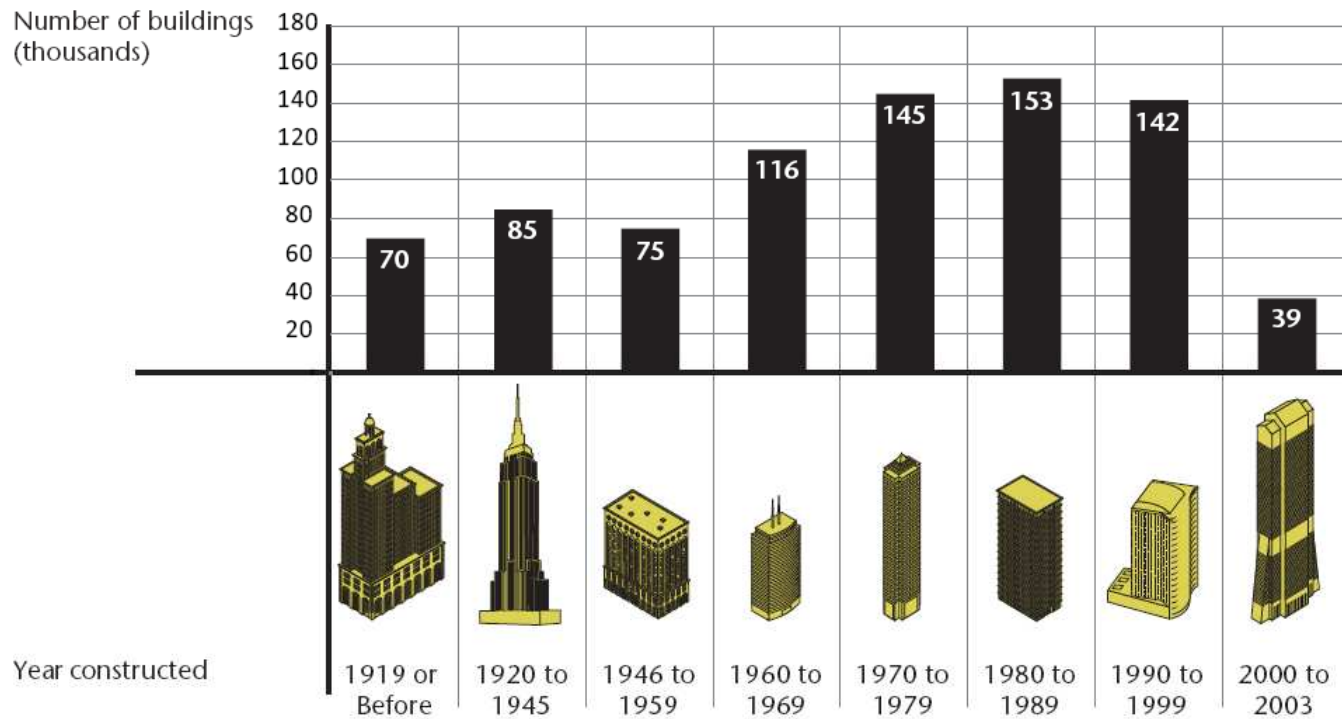


Scoping the opportunity



- **Building regulations** and planning schemes **only impact on new buildings** or major interventions
- **Split incentives, bounded rationality** and **information asymmetry** stymie efforts in the existing building space


Our aging building stock



Source: World Business Council for Sustainable Development



The failure of poor legislation

- Higher \$/t.CO2 abatement is bad for economy
 - Misdirection of capital
 - Perverse Outcomes (NatHERS, Merton Rule & ‘Green bling’)
 - Lock-in effect
 - Increased reliance on decarbonising supply side – time and \$\$\$
- 



The failure of complimentary measures

– Kyoto CDMs

– White Certificates




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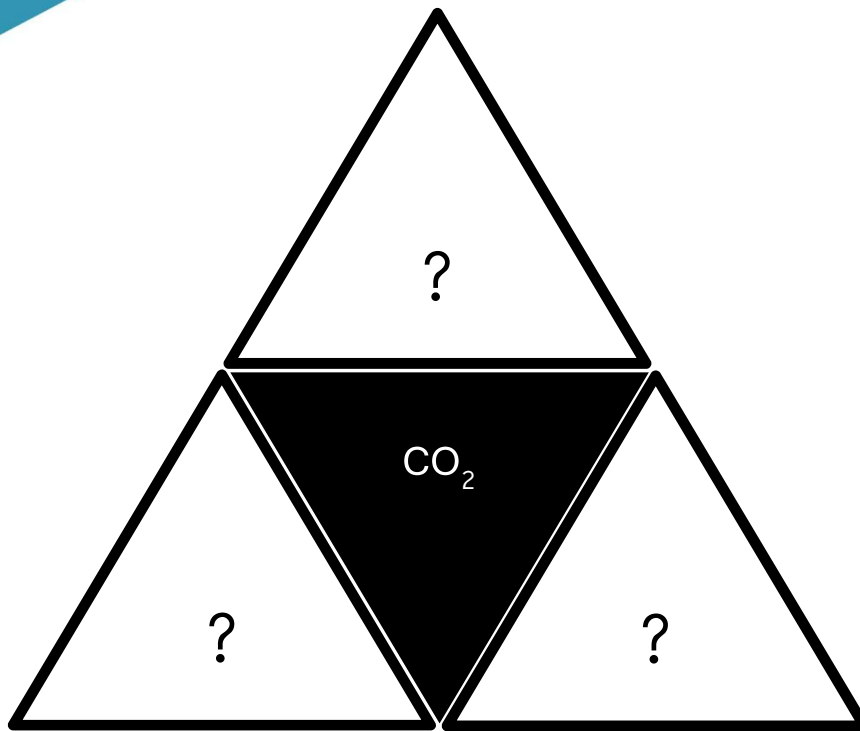


The value proposition – non residential

- Productivity benefits
 - Increased rent? – Tenant has to see value
 - More attractive space
 - Faster lease up? – Tenant has to see value
 - Reduced Outgoings
 - Tenant pays bills

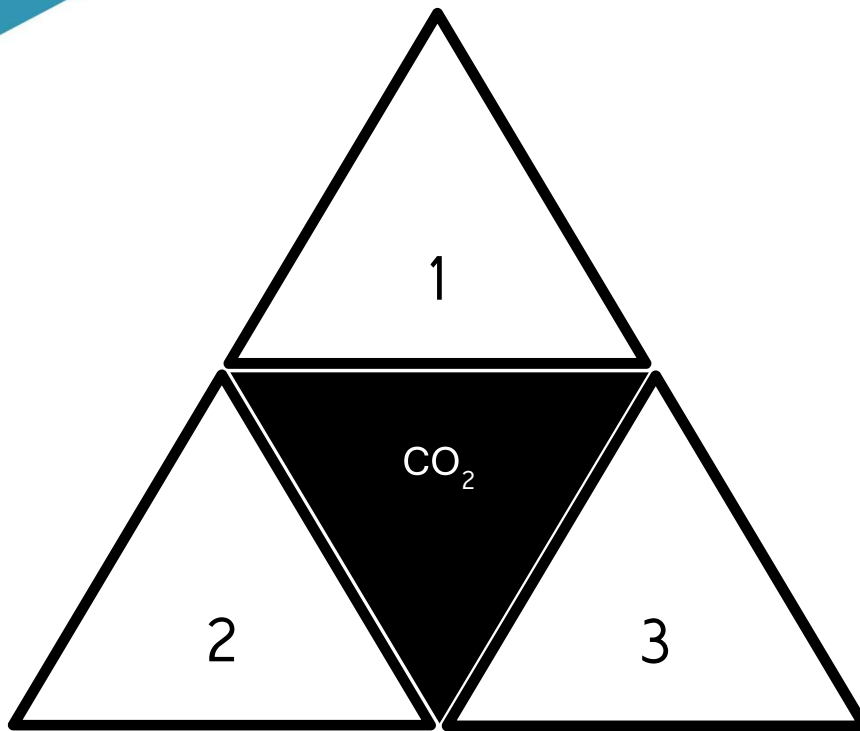
 - No direct return to investor of capital. No penalty for inaction or operation of inefficient building.
 - Who is our primary audience?
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Scoping the challenge



- Who are we trying to communicate with?
- What decisions are we trying to influence and when?
- What frameworks do we have to integrate with?

The Common Carbon Metric(s)





- A global language for carbon abatement in property.
- An suite of open source protocols for policy makers.
- A common language from inception to end of life.



A complimentary reporting and policy framework

- the CCM
 - Reporting of operational carbon for inventories and base lining
 - **Portfolio holders** (CSR, GRI, NGERs)
 - **Government** (national emission inventory, policy making)
 - Reporting of operational carbon for market benchmarking
 - **Tenants** (qualitative evaluation)
 - **Government** (EPC directives, mandatory disclosure)
 - Monetisation framework of baselines, monitoring and verification for capital allocation
 - **Building owners** (capital prioritisation, liability reduction)
 - **Financiers** (green financing)
 - **Government** (complimentary measures, CDM)



An integrated reporting and policy framework – the CCM +

- Reporting of operational carbon for inventories and base lining
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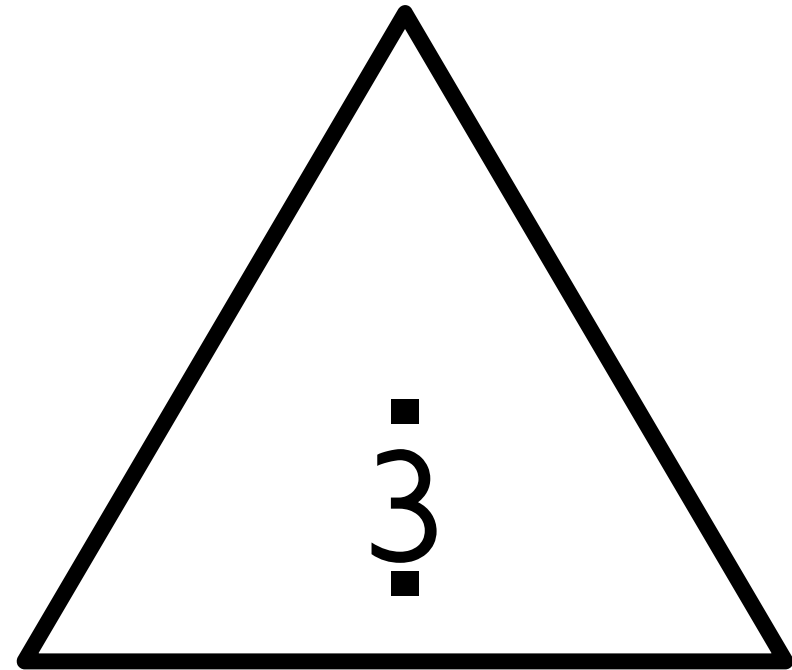


The Efficient Building Scheme



EBS carbon trading policy proposal

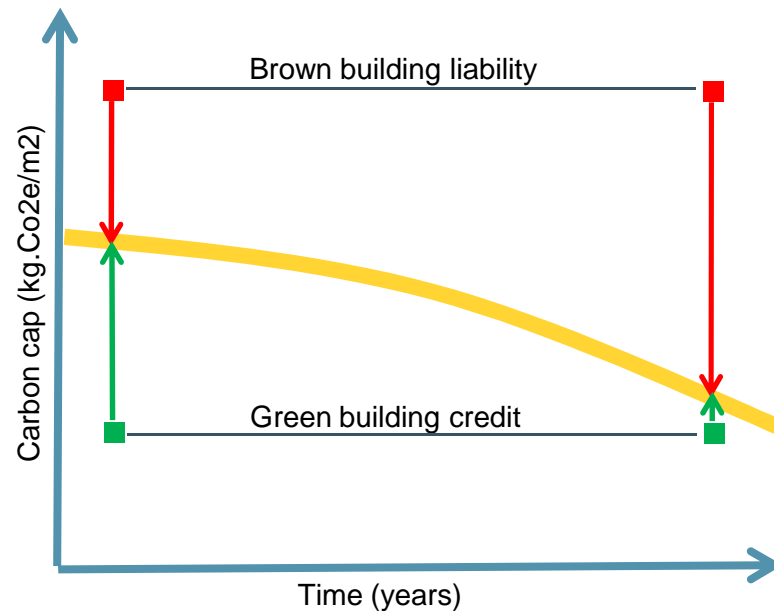
- Buildings owners obliged
- Free allocation of permits up to a cap
- A carbon footprint above the cap required an owner to acquit permits
- Carbon footprint below the cap gain income.
- Redistribution of money from brown to green



The monetisation of carbon in the third facet

EBS building specific cap

- Cap is for each building type in each urban centre
- Office vs office or, hotel vs hotel, etc
- 15 year trajectory provides investment certainty
- The market does the rest





EBS benefits

- Allows investment certainly
- Mines deep savings – non-prescriptive
- Not tied to providers
- Allows for the improvement of health and productivity outcomes
- Provides an abatement plan for cities

- The societal dividend;

\$1 vs \$6.5

The future – An integrated approach

- Simplifying the regulation and measurement systems and reducing the costs of compliance for a greener future

