



By Linda Breggin

Greening the Power of the Purse

This November, voters in Boulder will decide whether the city should create a new municipally run utility to replace a privately owned energy company. As explained by the city, the measures at issue are driven in part by the city's efforts to meet its greenhouse gas emissions targets. "Boulder made a commitment to reduce its carbon footprint in response to the climate change crisis" and a new local utility "would be able to increase renewables and support local energy-related businesses." In contrast, the private energy company is "poised to make significant investments in fossil fuel generating resources."

The ballot measures are controversial. But, setting aside the merits of this particular initiative, the city's actions reflect what may be a growing and powerful trend. States and localities are using the power of the purse to buy green goods and services. And, it is a big purse. The Pew Center on the States reports that states spend \$200 billion annually on goods and services.

State and local programs vary considerably in scope, focus, and approach. But states from coast to coast, red and blue, are taking action. Some programs mirror aspects of the Environmentally Preferable Purchasing Program administered by the Environmental Protection Agency, which assists federal agencies in meeting green purchasing requirements.

"Environmentally preferable" is

defined as "products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose." It can apply, for example, to raw materials, manufacturing, packaging, use, maintenance, and disposal.

Although not all environmentally preferable purchasing actions are as bold as Boulder's, many states have stepped up green power purchasing. Delaware, as a result of bulk purchasing for its facilities and schools, achieved a 32 percent green power purchase this year. Under a new law and executive order, Virginia plans to transition its fleet of 4,000 passenger vehicles to those that run on alternative fuels. In the governor's words, the initiative provides the "private sector an opportunity to develop creative partnerships to help the commonwealth meet its goals."

That is not to say that greening government procurement policies is easy. The National Association of State Procurement Officials warns that implementing environmentally preferable purchasing programs can meet with "administrative hurdles, technical barriers and skepticism" from both purchasers and users.

Fortunately, there are plenty of green procurement resources for states and localities. The federal government and numerous private sector organizations offer various types of support, including databases of environmentally preferable products and services ranging from cleaning to electronics. In addition, some state programs have developed tools, such as Massachusetts's EnviroCalc, a downloadable spreadsheet that estimates the environmental benefits of purchases of recycled-content and energy efficient products.

Not only does green purchasing benefit the environment, but it also can save money. *The Economist*, in an article discussing Chicago's climate change initiatives, observes: "City buses inevitably need replacing; so why not

replace them with hybrid models that are not only 60 percent lower in carbon emissions than standard diesel buses, but also 30 percent more fuel-efficient and will save an estimated \$7m a year in fuel and upkeep?"

This also explains why a down economy may not substantially affect green purchasing. The Responsible Purchasing Network, a group of procurement and sustainability professionals, surveyed its members and found that the recession "largely spared, and in some cases, even helped responsible purchasers," in part because "green spending yields cost savings." In fact, some state programs report their cost savings. Massachusetts saved over \$3 million last year and plans to quantify the environmental benefits of its purchases.

Ultimately, however, green procurement has broader implications than cost-savings for individual states and localities. For example, a 2006 Consortium for Energy Efficiency study explains that the buying power represented by state and local govern-

States and localities are improving their purchasing — and they do a lot of purchasing

ment energy-related expenditures could transform the entire market for energy-efficient products. According to the study, if states and localities green the tens of bil-

lions of dollars they spend on energy-related purchases, the market may respond with more choices and lower prices for all buyers. The report also emphasizes the unrealized opportunities for collaboration on energy-efficient purchasing among jurisdictions and across local, state and federal levels of government.

Regardless of the outcome of the Boulder initiative, we can expect states and localities to continue to use the power of the purse in creative ways that not only help the environment but save them money.

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