

The Billion Dollar Green Challenge

Save Energy. Grow Money.

Facing rising energy costs and steep budget cuts, many colleges are grappling with how to finance urgently needed—but capital-intensive—energy efficiency upgrades on campus. In response, the Sustainable Endowments Institute (SEI), in collaboration with 15 partner organizations, has launched a project to help these institutions achieve sizable energy savings through the use of an innovative financing model.

The Billion Dollar Green Challenge (The Challenge) encourages colleges, universities, and other nonprofit institutions to invest a combined total of one billion dollars in self-managed revolving funds that finance energy efficiency improvements. Participating schools will achieve reduction in operating expenses and greenhouse gas emissions, while creating regenerating funds for future projects. The Challenge was launched at the October 2011 AASHE Conference with 32 Founding Circle institutions, which include Arizona State University, Caltech, Dartmouth, Harvard, and Stanford.

At stake are more than 45,000 buildings owned by the 322 schools in SEI's *College Sustainability Report Card 2011*. Less than 5 percent of this building space has achieved significant savings from efficiency retrofits. In contrast, more than 50 colleges have successfully implemented energy upgrades financed by return-oriented green revolving funds (GRFs), the cornerstone of The Challenge model. The Challenge assists efforts to capitalize GRFs with endowment investments, operating funds and/or alumni donations.

The attractiveness of GRFs as investment options is based on the track records of existing GRFs. Conservative estimates show that a fund can consistently earn a 20+ percent annual return on investment yielding a median annual ROI of 32 percent—with no losses—for 52 existing green revolving funds.

To support the creation and growth of green revolving funds, we are engaging our diverse 36-member Advisory Council in active outreach to peers in higher education and developing resources including:

- **Greening the Bottom Line: The Trend toward Green Revolving Funds on Campus** based on the first survey about revolving funds with data from 52 colleges. www.GreeningTheBottomLine.org
- **Green Revolving Funds in Action: A Case Study Compendium.**
- **Green Revolving Fund Investment Primer** (authored by a team of Harvard Business School students).
- **The GRF Implementation Guide: Step-by-Step Strategies for Financing Energy Efficiency.**
- **Green Revolving Investment Tracking System (GRITS)** a web-based platform providing real-time comparative data on performance of GRFs at participating institutions.

To advance this project, we are partnering with the **American College and University Presidents' Climate Commitment (ACUPCC)** and the **Association for the Advancement of Sustainability in Higher Education (AASHE)**. We are also partnering with **Clean Air-Cool Planet, Clinton Climate Initiative, Earth Day Network, National Wildlife Federation, Net Impact, National Association of Environmental Law Societies, New England Board of Higher Education, Rocky Mountain Institute, Second Nature, United Negro College Fund (UNCF)** and **U.S. Environmental Protection Agency's Green Power Partnership.**

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About the Sustainable Endowments Institute

The Sustainable Endowments Institute was founded in 2005 as a special project of Rockefeller Philanthropy Advisors. The Cambridge-based nonprofit organization has pioneered research and education to advance sustainability in campus operations and endowment practices.