



Offsetting emissions newest sustainability initiative

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NATIONAL REPORT—The green revolution is gaining traction across the lodging industry, and one way hoteliers are participating is by offsetting carbon emissions.

"There's always something more you can do," said Nabil Moubayed, g.m. of Hotel Monaco, a Kimpton Hotels & Restaurants property in Chicago. "Every little thing helps."

By now, most hotels have implemented some form of green operations—using eco-friendly cleaning products, controlling electricity usage and recycling—but those same hotels still leave a significant carbon footprint.

"Hotels around the world have really risen to the occasion, in terms of ... the location and design of their facilities, water consumption, energy consumption, staffing, how they're giving back to the community," said Brian Mullis, president of Sustainable Travel International, a nonprofit group that consults with tourism and travel companies to manage sustainable travel operations. "Certainly, a large percentage of hoteliers are not engaging in all of these things, but more and more hotels are engaging in more than one of these things."

As if managing a hotel's carbon emissions weren't difficult enough, a recent study commissioned by Starwood Hotels & Resorts Worldwide's Element brand, found that 59 percent of travelers admit to forgetting their "green" habits while on the road, leaving hotel managers searching for better ways to reduce emissions. The solution may be found in the purchase of carbon offsets.

Green Tags

Renewable energy certificates, also called Green Tags, can be used to make a business carbon neutral. The RECs are generated by sustainable energy companies, such as wind farms or solar energy. For each unit of sustainable electricity produced, a REC is created, which can then be sold to companies for between \$3 and \$5 per REC. Typically, after a hotel has implemented green practices, the hotel still might be emitting carbon. Purchasing certificates are used to offset, or balance out, the remaining emissions.

Aramark Harrison Lodging, a division of Aramark Corp., has been committed to environmentally friendly business practices since 2003, going so far as to purchase hybrid vehicles for use in its parks and resorts.

In addition to its green operations, Aramark Harrison purchased offsets to reduce its total carbon footprint.

"The decision to move forward is an extension of what we're already doing to protect the environment," said Karen Wittig, vice president of sustainability and environmental education for Aramark Harrison Lodging. In April, Aramark Parks and Resorts purchased enough RECs to counterbalance 24.5 million carbon dioxide emissions, offsetting 100 percent of its electrical consumption.

"A lot of travel tourism businesses are really interested in low-hanging fruit opportunities. That's why carbon offsetting has really taken off," Mullis said. "When we come to the table, we want to know that the provider is reducing their emissions. Sure, it's great to offer the sale of energy certificates and carbon offsets to them, but at the same time, we want to know they're focused on reducing emissions."

To decrease emissions and generate revenue, trading carbon credits might be the future for hotels. The Chicago Climate Exchange, the only carbon exchange in the U.S., allows companies to trade carbon credits on the open market. Although the exchange is not regulated, it does ensure compliance through the National Association of Securities Brokers, an entity that performs audits on emission reports submitted by exchange's members. Companies who belong to the exchange must reduce greenhouse gas emissions 6 percent by 2010. If a company reduces emissions beyond that amount, the excess emissions reduction can be traded as a carbon credit. For July 2007, carbon credits traded on the Chicago Climate Exchange between \$3.30 and \$3.80.

Trading credits could be a means of being both eco-friendly and producing a source of revenue for management companies.

"It's stuff that they don't get yet," said Rory Gopaul, director of operations for the Carbon Solutions Group, who consulted with Aramark on its carbon offset program. "The concept of how a hotel would benefit is a little confusing right now."

As most hotels in the U.S. have not yet begun to purchase carbon offsets, and most hotels are years away from trading carbon credits, the emphasis remains on operations that reduce emissions.

"The biggest thing, to me, is education," Moubayed said, about working with hotel staff. "Remind them every few months what we're doing, and why we're doing it."

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