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Case Study: Verizon Saves \$40 million, 500K tons of CO₂

Clean Air - Cool Planet released today a case study of telecommunications giant Verizon, showing that between 2001 and 2002, the company saved \$40 million and decreased its carbon dioxide emissions by 500,000 tons (about 12.5 %).

“This is a tremendous achievement,” said Adam Markham, executive director at CA-CP, which works to reduce greenhouse gas emissions throughout the Northeast. “It shows what enormous strides businesses can make with sufficient know-how and commitment.

“These results are particularly important in the face of arguments suggesting that action on global warming will be bad for the U. S. economy,” Markham noted. “It clearly has not been bad for Verizon.”

A “Fortune 10” company with more than 227,000 employees and \$67 billion in 2002 revenues, Verizon is the world's largest provider of print and online directory information, with a global presence that extends to 45 countries in the Americas, Europe, Asia and the Pacific. In addition, Verizon companies are the largest providers of wire-line and wireless communications in the United States, with nearly 136 million access line equivalents and more than 33 million wireless customers.

One of the largest players in the aggressive global telecommunications industry, Verizon consumes nearly five billion kilowatt hours (KWhs) of electricity each year, the case study notes. That leads to an annual energy tab of almost \$500 million and resulting carbon dioxide emissions of nearly four million *tons*.

In order to reduce those numbers, Verizon put some 2000 of their facilities through a rigorous energy reduction program, with estimated savings of approximately 50 million KWh/year or approximately 80 million pounds of GHG, while their \$7 million capital improvement program has saved an estimated 30 million KWh/year resulting in 49 million pounds of CO₂ curtailed. The company also initiated the “Team Energy” employee initiative – including more than 300 volunteer “Energy Champion” employees – that is a hallmark of the Verizon program.

The energy savings attributable to this initiative varies, the case study notes, but can be estimated at approximately 23 KWh/year per Energy Champion, equating to approximately 37 thousand pounds of CO₂ for each, or a total of approximately 6900 KWh annually, keeping another 5,550 tons of CO₂ out of the atmosphere.

Verizon has also instituted a number of longer-term initiatives, the case study found, including:

- Switching equipment RFP's now include energy requirements as an evaluation variable when analyzing bids; this has delivered a clear message to vendors.
- The framework for energy savings in direct-current power plants projected to save approximately 30 million KWh/year, and 49 million pounds of CO₂, within the first year of implementation in 2004.
- It was determined that temperatures on block heaters for diesel back-up emergency generators could be reduced safely from 120 degrees to 70 degrees with little to no effect on the engine start. This will be a three-year effort that will yield an approximate 35 million KWh/year savings or 57 million pounds of CO₂.

CA-CP began its series of case studies, which now includes businesses, colleges and universities, municipalities, and other groups and institutions from across the Northeast region, as a way of demonstrating that real, meaningful reductions in greenhouse gas emissions are possible, and cataloging strategies and techniques. The Verizon study is the latest and demonstrates how effective an integrated campaign can be, Markham notes.

“Our case study revealed that the upgrading, retrofitting, auditing of buildings, and other initiatives over the past three years, produced energy efficiency and emissions reductions resulting in improved financial health, a better work environment, and added brand appeal to both customers and shareholders,” said Markham. “Best of all, these savings are not one-shot; they will accrue year after year.”

The case study is available at www.cleanair-coolplanet.org/information/pdf/verizon.pdf.