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Impact Everyday

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This is the first in a series of articles from the winners of the 2011 [Dow Sustainability Innovation Student Challenge Awards](#).

Have you ever peered out of the cabin window of an airplane at a vast horizon of suburban homes and commercial centers and wondered, “Why doesn’t every one of these buildings have a solar rooftop?”

I have. In fact, every time I read that an offshore wind or desert solar project has stalled, I return to the same bird’s-eye panorama of buildings decorated with sharp, attractive, clean energy-generating solar rooftops.

However unless you’re located in California, that vista is only imaginary. Despite plunging prices for solar panels and estimates that calculate rooftop solar as being a legitimate option for producing 10-15 percent of our nation’s power, small-scale renewable energy programs remain scarcely a blip on America’s electricity radar screen.

Surprisingly, the inertia in local renewable energy development can be solved without having to navigate the gridlock in DC. My startup, “[Impact](#),” has figured out the way.

The central assumption of Impact’s theory is that Americans of every political stripe care deeply about renewable energy, whether for environmental, domestic security or other personal reasons. Surveys overwhelmingly confirm this idea, and they simultaneously suggest that individuals feel frustrated by the absence of realistic options to make a meaningful difference. People believe that their small actions, such as recycling or changing the light bulbs, are not enough. They fundamentally want to do more.

Impact harnesses the power, influence, and resources of “crowds” to deliver a solution to building hyper-local community renewable energy. Our idea is a combination of online microlending techniques, similar to those established by Kiva, and a creative fundraising solution that taps a giant pool of affordable capital to empower individuals nationwide.

Impact is a rewards platform tied to credit cards or merchant loyalty programs that enables shoppers to use traditional rewards “points” as a funding mechanism for deploying clean technologies. The projects we target could range anywhere from a solar rooftop on a school to an energy efficiency retrofit of a religious center, all funded by a common underlying pool of rewards points as the loan principal.

A crucial insight to understanding how Impact converts “points into turbines” is recognizing that during the period of time that credit cardholders do not use their balance of loyalty rewards, they are effectively “lending” to their bank their points at no interest rate. The bank then lends that same capital to its own clients, earning the “float”, or interest revenue on the loan, for themselves. Trillions of outstanding credit card rewards points with a monetary value in the billions of dollars are subject to this private lending system. And points can expire too, a synonym for your rewards vanishing like a ghost.

Very simply, Impact liberates these points from the bank and offers them to consumers. Impact members log onto our website (or mobile app) to register an account. On the site, we will feature a universe of renewable energy projects along with pictures, video feeds, project information, and the payback schedule of the loan. Members “invest” in renewable energy by lending their rewards for six months to a year to a project of their choosing. The no-interest loan significantly reduces financing charges for the borrower community, making the cost-benefit of deployment a positive one. Afterward, Impact redeems the rewards points and reimburses the Impact user so they can still fly off to Paris for spring break.

Our ideas for expanding the scope of Impact’s platform for the future are fascinating. For instance, many companies have difficulty converting their good operating behaviors or organic ingredients into consistent revenue streams. Impact can help by highlighting those companies on our site, providing differentiating information on their business operations, and allowing those companies to team-up with consumers on project investing. If, with our loyalty model, we could shift attention and consumer behavior toward these “green” companies, then the ripple-effects could be astounding.

Down the road anything can happen. Certainly building a brand and achieving market scale are tasks easier said than done. Nevertheless, I'm confident in our central premise that people do care, and that they have conviction when they proclaim they want to contribute in a more meaningful way than recycling. Impact finances tangible, iron-in-the-ground clean energy infrastructure you can see from your car or airplane cabin window. That's great. So is empowering people to make an impact everyday with the most powerful tool for change in their arsenal: their credit cards.

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