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Commentary: Geoengineering—Part of the Solution
By: Neil Markee, Editor in Chief-Purchasing Link

Persuading the nations of the world of the need for action to reduce carbon in the atmosphere and oceans—largely by reducing the consumption of coal, oil and natural gas—has proven to be easy to achieve, so long as other nations are making the reductions and/or paying the costs involved. Developed western nations have made real progress, but too many less-developed others have indicated that they will try to reduce consumption and emissions at some point in the distant future, when their level of development has gained parity with the "have" nations. That, of course, amounts to chasing an elusive, moving target and is unlikely to succeed unless the "haves" agree to curtail their improvements in living standards to give the "have nots" time to catch up, or agree to a wealth-redistribution plan designed to accomplish the same leveling goal. Neither of those or any other solution to living standard disparity is likely to succeed any time soon.

From the President
Commentary by Cory Harms

“When you volunteer, you give selflessly of your time and your talents. NAEP is strong today because of the tireless efforts of all of our volunteers who...”

- Cory Harms, NAEP President

From the Editor

This month's posting is about options. If the students are picketing the admin building and the president's house—with media coverage—demanding the divestiture of coal-mining stock, or the equities of all corporations involved in the segment of the energy business pilloried for contributing to the excess carbon in the atmosphere, what are the institution's options? The governing board could just cave in/join in and promise to sell whatever they hold to another investor and buy peace and quiet for a spell, even if they don't see what, if any, good their symbolic action will do. Or they could dig in their heels and say we can't afford the hit to our endowment diversity and the income we earn, and pray for rain. A Biblical downpour of forty days and nights might buy a month of peace.

Some see talk of geoengineering, harnessing natural forces to help reduce the atmospheric carbon problem, as a red herring, a diversion designed to shift attention away from their holy grail, a very substantial, and equally unlikely, near term reduction and eventual end in the burning of coal, oil and natural gas to produce the electrical energy we need. (Transportation and heating fit in there as well.) Maybe that's the reason we see so little discussion of carbon capture and sequestration, maybe permanent sequestration. If student activists and the man on the street knew more about the current potential, investing in the technology involved might be seen as a viable alternative action that was more than symbolic.

Buzz word: Is CO2 to calcite an answer?
Currently, on campus there is pressure on administrators to "do something" to demonstrate institutional commitment to becoming part of the solution. Recent national media discussion of reduction in atmospheric and oceanic carbon indicates that campuses have focused on the consumption side by calling attention to the problem via protest divestiture, most recently of coal-mining stocks. If that approach were to succeed, presumably oil and natural gas would be the next in that order. However, more than likely coal, oil and gas will remain the dominant sources of energy for at least the next few decades, although the order may change and divestiture will remain largely a symbolic gesture. Effectively, divestiture amounts to kicking the can down the road. At the moment, that may seem to be the only viable option in the consumption area. However, although not as dramatic or as sweeping as reductions in emissions via reductions in consumption, there are other available approaches that have not received much coverage until very recently.

Carbon capture and sequestration is one of those and there isn't any obvious reason why we cannot make progress in that carbon-reduction area while waiting for a cleaner source of energy to replace the "big three." Two articles in the February 10, 2015 *New York Times* and another in the *Wall Street Journal* on the same day should be required reading for higher education's business-leaders interested in climate change and the geoengineering options available to help deal with the CO2 emitted when burning coal, oil and natural gas to produce electric power. Recently, we wrote about the sequestration of CO2 in an abundant rock known as olivine, which is able to convert the waste-product gas into calcite, a form of rock, and permanently store carbon equal to its own weight. One approach described was to spread crushed olivine on the earth's surface and the seabed to absorb CO2 out of the atmosphere and sea water, respectively. Another was injection of high-pressure liquid carbon into olivine deposits deep underground. An article in the Science Times section of the 2/10/15 *New York Times*, headlined "Buying a Mountain of CO2" by Henry Fountain, focuses on basalt, another plentiful igneous-rock found deep underground and on the surface in some areas such as Iceland. Like olivine, basalt is able to convert massive amounts of CO2 into calcite, a solid crystalline mineral. The article points out storage may not be the best way to describe the process, as the CO2 gas is converted into a solid mineral and ceases to exist. In this case, the research is being conducted in Iceland. But there in an alphabet soup of U.S. organizations both governmental and private that are involved with similar geoengineering efforts involving the capture and conversion of carbon into calcite. "The island nation (Iceland) sits atop the Mid-Atlantic Ridge, the boundary between two of the planet's largest tectonic plates, where basaltic magma rises from deep within earth to form new crust," states the article. Iceland, made up almost entirely of basalt, does not routinely produce enough CO2 to support a major commercial carbon capture/sequestration effort using the basalt, as it is dependent on geothermal energy for its major source of energy. Two approaches are discussed. One mixes the gas with large amounts of water and injects the carbonated acidic mixture into the underground rock formations, where it breaks down the rock and speeds up the mineral carbonation. The other injects only highly compressed liquid CO2 and may prove to be less expensive because huge quantities of water, "roughly twenty-five tons of liquid for each ton of gas," are not required.

The $10-million research project known as CarbFix, managed by Reykjavik Energy, involves scientists from the University of Iceland and the University of Southampton in Britain. The Lamont-Doherty Earth Observatory at Columbia University is another CarbFix Partner.

Another article in the same issue of the *New York Times* discusses clean energy from another perspective—financing the needed research. Private dollars from venture capital at one point flowed freely into clean energy research conducted by Silicon Valley organizations. However, as the private investors involved realized that the projects, when successful, were not likely to produce the quick ROI they aimed for, and that there were other investment opportunities likely to produce profits in the relatively short-term, they moved on. "Clean energy investments were briefly a fad among Silicon Valley venture capital firms, peaking in the second quarter of 2010 at more than $820 million. But the V.C.s soon learned that investing in unproven "hard" energy technologies was not as quickly lucrative as backing social networking and smartphone apps. By the third quarter of last year, venture investment in industrial energy technologies had declined to $209 million."

The article describes a small public/private experimental effort known as Cyclotron Road, involving a group of scientists pursuing a variety of clean-energy research projects. According to the article, unswayed by a closely held laboratory's resources and leadership. "They have created a technology incubator program intended to support entrepreneurs from academic laboratories until their ideas are mature enough to earn financial backing from chemical or oil and gas companies, or possible even private investors." The geoengineering capture of carbon from power plants is among the projects.

The other two articles, one in the *Wall Street Journal* and the other in the *New York Times*, discuss protest divestiture and were probably inspired by the then-impending Global Divestment Day. The Tuesday, February 10, 2015 *Journal* article by Daniel Fischel was titled, "The Feel-Good Folly of Fossil-Fuel Divestment." That article opens with, "Global Divestment Day will kick off on Friday. In the run-up to this two-day event, college administrators will come under increased pressure to accede to climate activists' demands and sell fossil-fuel-related equities in their endowments."

The title gives away where Fischel stands. He argues that, taken together, energy-related stocks are a major part of the equities market, and excluding them from an institution's portfolio would
notably reduce its cherished diversity. Fischel had participated in a study of the performance of two hypothetical portfolios going back over a fifty year period. They found that the portfolio including energy stocks out performed the other on average by .07 percent annually. That doesn't sound like much until you apply it to the NACUBO estimate of higher education's total endowment of $456 billion. Divestiture, he notes, "would decrease annual growth by nearly $3.2 billion". He argues the one percent additional cost incurred to monitor the portfolio to maintain its fossil-fuel-free composition would cost one percent, or $220 million annually. The total cost of the program, he said, would have been $3.4 billion, a sizeable amount by even federal budgetary standards. Of course, I doubt that any school with a significant endowment has plans to divest itself of all energy stocks at this point, and who knows what the next half century holds?

In effect, the article sets $3.4 billion on the cost side of the cost/benefit equation and then shifts to the benefits side. Fischel asks, "Can divestiture make fossil-fuel-related companies change their ways?" He thinks not simply because, as others have pointed out, even collectively, higher education does not own enough of the industry to affect stock prices. "Every bit of economic and quantitative evidence available to us today shows that the only entities punished under a fossil-fuel divestment regime are the schools actually divesting—with no discernable impact on the targeted companies." Fischel closes with, "Students and universities may nevertheless wish to make a symbolic or political statement, but they should know it will come at a high price." How much is $3.4 billion annually over fifty years? You might say not much compared to the roughly $400 billion reported total annual revenue for public and private institutions in the 2014-15 *Chronicle of Higher Education's Almanac*. But how many $5,000 scholarships could it cover? Talk is cheap but divestiture is not.*

Daniel Fischel, as president and chairman of a consulting firm and emeritus professor of law at the University of Chicago Law School, has impressive credentials, but the study conducted by Compass Lexecon, his firm, was sponsored by the Independent Petroleum Association of America. Initially for me, that relationship raised a credibility caution flag. However the *Wall Street Journal* is not known for featuring frivolous articles from questionable sources. The same day it was published, the *New York Times* noted the possible conflict of interest and announced the planned publication of the summary of the study in its competitor, the *Wall Street Journal*. The reputations of both publications convinced me that Fischel's opinion deserved serious consideration.

What does all this have to do with the business side of higher education? The next time divesture—or what might we do about the accumulation of atmospheric carbon—is the topic, some might suggest that, rather than trying to penalize the coal industry while still buying power from the grid, the institution might "do something" positive by joining with an institution or organization working to find ways to reduce post-combustion carbon via capture and what amounts to permanent sequestration, as the Lamont-Doherty Earth Observatory at Columbia University and others have apparently done. Another viable alternative might be joining with Lawrence Berkeley in supporting a technology incubator in the area.

What's happening on your campus?

**Articles Mentioned:**


**Support Our Scholarship Fund!**

Cory Harms M.S.
NAEP President
Iowa State University
Associate Director of Purchasing

When you volunteer, you give selflessly of your time and your talents. NAEP is strong today because of the tireless efforts of all of our volunteers who support this great organization. I would like to ask you to consider another way to support your professional association this year. Donate to our scholarship fund. Our NAEP scholarships help support continuing education and professional development for our colleagues and for the sons and daughters of our colleagues.

The fund currently supports three specific scholarships. The first, distributed locally at the NAEP regional level, is the William Haas Scholarship. This particular scholarship allows you to attend an NAEP event to further your professional development. Ask your regional leadership how to apply. The second scholarship is the Nancy Tregoe Scholarship. As the Director of Purchasing at Lafayette College for many years, Nancy was a tireless advocate for small school issues. This scholarship provides professional development opportunities for a current member who has made

http://web2.naepnet.org/plink/march2015/
contributions to both NAEP and E&I. Our third scholarship is our Sons & Daughters Scholarship. If you have a dependent continuing their higher education in college or trade school, this scholarship is for you! Every little bit helps defray the cost of education.

Your donation is 100% tax deductible where allowed by law and 100% appreciated by NAEP, our scholarship committee, and me.

I hope to see you in Atlanta for our 94th Annual Meeting next month. As a volunteer on our Program Committee, I can tell you for certain that the educational sessions are very strong again this year.

Election Results: NAEP 2015 Board of Directors

Congratulations to our newest elected Board of Directors:
District I Director: Michael McNamara, C.P.M., Northeastern University
Second Vice President: Rosey Murton, CPPO, CPPB, Wake Forest University
First Vice President: Denise Finn, CPPO, C.P.M., CPPB, University of Kentucky
Senior Vice President: Kelly Kozierek, CPPO, CPPB, Oregon State University
President of the Board of Directors: Lisa Deal, C.P.M., University of Florida

Thank you to everyone who voted in the election of your leadership! Julie Dexter, University of Nebraska-Lincoln and Teller of the Ballots has validated and confirmed the 2015 election results.

There's Still Time to Register NAEP Annual Meeting, April 12-15

Early-bird registration deadline ends today, Thursday, March 12th! Don’t delay. Click here for Registration Form. Online registration is available through April but register today to save $100 off the cost of your full conference registration. The Annual Meeting will be held at the Hyatt Regency Atlanta on Peachtree St in downtown Atlanta. Click here to reserve your hotel room for the Annual Meeting at the NAEP discounted rate of $189 single/double plus applicable taxes. Reserve your room by the deadline date of March 17, 2015.

Sunday Night Host Event at the Georgia Aquarium in partnership with E&I

Be sure to arrive in plenty of time on Sunday to attend our night out at the Georgia Aquarium. In partnership with E&I, this is a night that you won’t want to miss. Enjoy light hors d’oeuvres and drinks with friends and colleagues while exploring the largest aquarium in the country.

PEP Talks Perk Up the Opening General Session
The NAEP PEP Talks return once again to the Annual Meeting. Three competing keynote speakers will each present a 20-minute talk on why you should attend their specific full session immediately following the General Session. The three topics this year are: Negotiating by David Rabiner; Leadership & Decision Making by Howard Teibel; and Ethics by Chuck Gallagher.

Fun Run/Walk

Tuesday, April 14 – 7:00 a.m.

Seize the day with vigor and purpose by joining in the Fun Run/Walk around the hotel area. Participants will receive a t-shirt and light refreshments.
New Attendee Orientation

Sunday, April 12. 4:45 p.m. - 6:00 p.m.

If this is your first time attending the Annual Meeting, or if you are new to NAEP and want to learn more about the organization, this event is tailored for you. Make friends and connections at this orientation that will support you throughout your purchasing career.

Wednesday Keynote Session

Wednesday, April 15. 9:15 a.m. – 11:00 a.m.

Our Wednesday Keynote Speaker will leave you inspired. Dr. Bernice King is a woman gifted to change the lives of those who come into contact with her. Do not miss this wonderful opportunity!

“The pride and treasure of our nation is our youth. Any nation that neglects the teaching and the upbringing of its youth is a nation on the decline.”

Start the last day of your conference journey with a powerful message and leave Atlanta feeling recharged as you return home to tackle your biggest challenges and opportunities.

Thanks to Our Annual Meeting Program Committee

Thank you to our hard working program committee! Once again our 50 educational sessions and three keynote speakers are top-notch.

- Lisa Deal, University of Florida, Chair
- Kelly Kozisek, Oregon State University
- Loette King, Emory University
- Cory Harms, Iowa State University
- Denise Finn, University of Kentucky
- Nichol Luoma, Arizona State University
- Tamara Gash, Oregon State University
- Jason Knoch, Princeton University
- Todd Adams, UC San Diego
- Charlie Geanetta, University of Colorado
- Duane Bullock, Penn State University
- Elizabeth Lees, Muhlenberg College
- Kevin Holmes, Oklahoma State University Tulsa
- Karen Gross, University of Texas Medical Branch at Galveston - Health Center
- Kevin Carr, University of Maine System
- Mary Sue Goldwater, E&I Cooperative Services
- Carla Helm, University of Washington

Thanks to Our Annual Meeting Host Committee Leaders!
A big thank you to our Host Committee leaders who are preparing the red carpet for your arrival in Atlanta! They’ve done a wonderful job!

- Pamala Phelps: Emory University
- Karmen Milton: Georgia State University
- Annette Evans: University of Georgia

**Procurement Services Exceeds $30 Million Savings Goal**
by Nancy Doolittle, Cornell University. Reprinted with permission of the Cornell Chronicle.

By analyzing expenses, standardizing supplies, consolidating vendors and negotiating discounts, Procurement Services is saving Cornell more than $30 million annually. Joanne DeStefano, vice president for finance and chief financial officer, recently announced that the Procurement Initiative has saved the university $30.1 million in annual non-salary budget dollars. These savings exceed the goal established during the Reimagining Cornell strategic planning initiative that began in 2009. Surpassing the goal can be attributed to the sustained efforts of procurement staff and all those across campus who purchase goods and services for Cornell, DeStefano said. “This is a huge accomplishment. The procurement team brought creativity, dedication and hard work to this initiative and steadily built partnerships across Cornell and between the university and outside vendors to identify savings opportunities and streamline operations,” she said.

> Read the full article here!

**Help a Colleague with Your Donation to the Scholarship Fund**

As an individual, you can make a tax deductible donation to the NAEP Scholarship Funds (where allowable by law). One-hundred percent of your individual donation will support the William E. Haas Scholarship, the Nancy Tregoe Scholarship, and the Sons & Daughters Scholarship funds. Recipients of these yearly awards use the funds to further their educational goals by attending NAEP academies, institutes and meetings or, in the case of the Sons & Daughters Scholarship, attending college or trade school. Upon donations, you will receive a letter of receipt for tax purposes.

Support the future of Higher Education Procurement. [Click here to make a donation today.](http://web2.naepnet.org/plink/march2015/)

**Sustainability on Campus**

**Campus Bike-recycling Programs Give Cash-Strapped Students a Ride**
The recently released article in USA Today points out some universities and colleges that are collecting unwanted bikes, repairing them to working order, and lending them to students who might not otherwise be able to afford a bicycle.

> Read Full Article

**Connecticut Universities Offer Faculty and Staff Access to Solar Energy Competitive Bids**
Solarize U is a solar discount program run by the State of Connecticut and a partnership between the Connecticut Green Bank and SmartPower. The goal of this program is to extend the University’s commitment to sustainability to faculty and staff who are homeowners in Connecticut by offering faculty, staff and students' families the opportunity to compare online competitive bids from pre-screened installers of solar energy systems. Wesleyan, the University of New Haven, Southern Connecticut State University, the University of Connecticut, Eastern Connecticut State University, and Yale University are taking part in the program.

**Three Universities Pilot Sustainable Purchasing Program**
Emory University, Portland Community College and University of California at Santa Barbara
recently signed up to pilot the Sustainable Purchasing Leadership Council's Guidance for Leadership in Sustainable Purchasing v1.0. The Guidance for Leadership in Sustainable Purchasing offers purchasers detailed advice for promoting market innovation and optimizing the environmental, social and economic performance of their supply chains. Read full press release on this new program.

* Read Full Article

**Quote of the Month**

“Whenever you find yourself on the side of the majority, it's time to pause and reflect.”

--Mark Twain