

Look Beyond Google's Plan to Become Carbon Neutral

Simon Mingay

Google's announcement to become carbon neutral by the end of 2007 sounds impressive, but relies heavily on carbon offsets. Offsets lack credibility, and other IT service providers and vendors can easily do the same.

NEWS ANALYSIS

Event

On 19 June 2007, in an official Google blog, Google's senior vice president, operations, stated that Google will be carbon neutral by the end of 2007. Its plan is to:

- Reduce energy consumption by maximizing efficiency
- Invest in and use renewable energy sources
- Purchase carbon offsets for the emissions that it can't reduce directly

Analysis

Google has told Gartner it believes climate change represents a material risk to the world economy and to the growth of its business. This initiative is part of a well-thought-out strategy to make reasonable commercial efforts to tackle the issue by improving energy efficiency and generating its own electricity from renewables.

Environmentally sustainable development dilemmas are faced by every growing business. But Google's situation is acute because of its scale, growth, visibility and espoused values. Google has chosen not to disclose information about its energy consumption and carbon dioxide footprint, which leaves it vulnerable to criticism about its "green" intentions because it is essentially saying "trust us." Gartner estimates Google has over 1 million servers (more than any other company), which means its power consumption and carbon dioxide footprint are substantial. Further, we believe much of the energy used by Google is generated by burning fossil fuels and that this won't change significantly for many years. Our view is that only a small fraction of this energy will come from renewables. As Google continues to grow, its energy consumption and the associated carbon dioxide footprint will also grow, despite this announcement and its efforts to increase energy efficiency.

Google's plans to maximize efficiency and invest in renewable energy sources have many merits, but it will rely heavily on carbon offsets to achieve carbon neutrality. Carbon offsets do nothing to reduce the buyer's own energy consumption and carbon footprint and, despite Google's extra efforts, it's hard to be sure that every ton of carbon dioxide it emits will be permanently removed through an offset program. The carbon offset industry is unregulated and uncontrolled, and many businesses have decided not to follow this route because of the reputation risks involved. Google has said its use of offsets will be "temporary," but Gartner's view is that Google will need to buy offsets for many years to come.

The cost of offsets is not significant today, so becoming carbon neutral by making extensive use of offsets is neither hard nor expensive. Other businesses may struggle to replicate Google's energy efficiency, but they could replicate Google's move to carbon neutrality if they chose to do so by spending a moderate amount on buying carbon offsets — though we would caution any enterprise considering that option because of the problems associated with offsets.

RECOMMENDATIONS

Although purchasing carbon offsets has some merit, don't weight carbon neutrality achieved via offsets highly in your environmental purchasing criteria. Any vendor can quickly achieve neutrality in this way if it chooses to do so. Focus instead on steps being taken by a vendor to reduce its carbon dioxide footprint.

RECOMMENDED READING

- "Cut Costs and Boost Environmental Benefits by Not Leaving PCs Powered On Unnecessarily" — Enterprises should employ more-aggressive power management for PCs, monitors, printers and scanners, and use an appropriate low-power state after-hours, especially for PCs and monitors. **By Simon Mingay**
- "The Research Incubator: A Journal of Unconventional Thinking, 1Q07" — During 2007, IT vendor marketing teams will be scurrying to buy the last drop of energy from renewable sources, to put solar panels on their roofs, and to reduce their carbon footprint or claim to be "carbon neutral" by buying carbon offsets. **By Simon Mingay and others**

(You may need to sign in or be a Gartner client to access the documents referenced in this First Take.)

This research is part of a set of related research pieces. See "Green IT: The New Industry Shock Wave" for an overview.

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