

NEWS

Environmental Dividends

‘Climate fintech’ aims to drive investments in sustainability



Climate strike protest in Spain in 2019

GETTY IMAGES

By Adam Stone

IN 2019, WILL WISEMAN took part in a climate strike protest in Barcelona, Spain. “I saw 100,000 people protesting in the streets for climate action, and I was blown away,” he says.

How could all those people help move the needle on climate change? Wiseman’s answer was to help launch Climatize, a crowdfunding tool that raises capital for solar-power projects. The company empowers small investment through an app.

It’s an example of what some call “climate fintech,” combining financial technology and sustainability to drive investments toward renewable energy,

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WILL WISEMAN

Will Wiseman’s idea for Climatize began with a 2019 climate strike in Spain.



GETTY IMAGES

Demonstrators flooded the streets of Barcelona in September 2019 amid worldwide protests against global environmental policies.

NEWS

“We are all about incorporating everybody as active stakeholders and active investors in the energy transition.”

**– WILL WISEMAN,
CEO and co-founder, Climatize**



CORPAY

Corpay's cloud-based software helps managers of corporate and governmental electric vehicle fleets streamline the process of reimbursing workers who charge the EVs at home.

carbon capture and overall environmental sustainability.

SMALL PROJECTS, BIG EFFECT

Typically, only big institutional investors or high-net-worth individuals could invest in large-scale solar projects.

At Climatize, “We are all about incorporating everybody as active stakeholders and active investors in the energy transition,” says Wiseman, the company’s CEO and co-founder.

As a crowdfunding portal registered with the U.S. Securities and Exchange Commission, “We connect projects seeking capital with people seeking to make investments,” he says. “We’re expanding access to this asset class, beyond institutional investors.”

He described one case in which a family-owned hardware store in rural Tennessee was experiencing rolling blackouts and was struggling with rising energy prices. Through small investments from individuals, Climatize raised more than \$260,000 to help the store go solar, he says.

“The store was originally used to

service horses and buggies and carriages, back in the day,” Wiseman says.

With a recent remodel, he adds, “They’ve kept the historic roots, and now they’ve been able to put solar on the roof, thanks to crowd-funding.”

POWERING ELECTRIC FLEETS

Electric vehicles, or EVs, are at the forefront of efforts to reduce emissions. But an electric fleet can be difficult to manage.

As corporate and government fleets transition to electric, “You want to make sure that those vehicles can get fueled up or charged up whenever they need to,” says Alan King, group president, vehicle payments in Europe and Australasia at Corpay, formerly FLEETCOR Technologies. “You also want

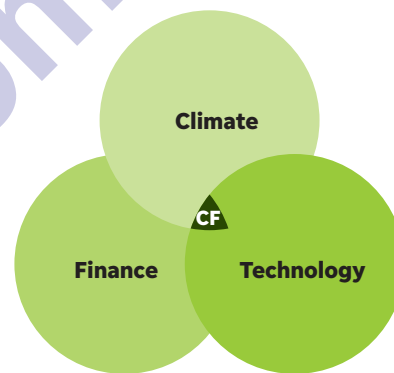
to be able to ensure that a payment can take place: that the driver can pay for the charging, and that whatever financial

instrument they’re using to pay for the charging can only be used for charging.”

Corpay’s cloud-based software helps fleet managers overcome these hurdles, and it even helps manage the financial complexities around home charging for fleet vehicles.

“This software effectively captures the charging sessions that take place at home for business purposes,”

he says. “We’ll come up with an amount that you’ve charged, and then we’ll make sure that the company that you work for reimburses the utility company directly. So you are never out of pocket as a



THE TRIFECTA
Climate + finance + technology
= climate fintech

GRAPHIC BY LISA ZILKA/USA TODAY NETWORK

driver, as a homeowner.”

By making it easier to manage the expenses of EV use, the fintech solution is helping to accelerate the transition to electric fleets.

MEASURING IMPACTS

It’s uncertain whether companies are moving the needle on sustainability.

“Today, the definition of ‘green’ is undefined. Everybody has their own version of what they call sustainability,” says Hemanth Setty, founder and CEO of Zero Circle, a New York-based fintech company.

Setty is looking to change this with a sustainability reporting tool — a digital resource that makes it possible to track, analyze and report on sustainability performance. The goal, in part, is to make it easier for banks to finance small-business projects that help address climate change.

“These banks need a framework in which they can assess projects, identify investment opportunities and identify risk measures,” Setty says. With quantifiable metrics and consistent reporting, Zero Circle helps to drive investment to projects that actually make a difference.

MOBILIZING CAPITAL

Experts say that climate fintech companies like these can play a key role in facilitating the financial mechanisms that help drive sustainability.

With advancements such as artificial intelligence and machine learning, “Computing tools today can generate insights that were not available earlier,” says Aparna Gupta, a professor of quantitative finance and co-director of the National Science Foundation’s Center for Research toward Advancing Financial Technologies at Rensselaer Polytechnic Institute in Troy, N.Y.

“There’s been a lot of hype around (sustainability), and it becomes hard to find your way through if you don’t have observability, if you don’t have metrics that are agreed upon in terms of what is being evaluated, what is being assessed,” Gupta says. Fintech solutions “create new investment opportunities, because you have new ways of observing what may happen and what are the possible outcomes of the investment.”

By enabling investors and generating data-driven insights, climate fintech brings a technological approach to the funding challenges that confront many renewable energy, carbon capture and other climate-related projects.

“This is all about mobilizing capital to the right places,” Wiseman says.