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ENVIRONMENTAL CAPITAL

How Much Green Do Shareholders Want?

By **DARREN MCDERMOTT**

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Are big-company CEOs that change their businesses to deal with climate change trailblazers, or are they rubes hijacked by green activists?

It's not an academic question. Steve Milloy, head of the \$11 million Free Enterprise Action Fund, spends his time as a self-described "headache" to corporate chieftains like Jeff Immelt of GE. His fund regularly sues companies for shirking what he calls their duty to shareholders by getting greener, even if it costs money. His nemesis, Mindy Lubber, runs a \$5 trillion coalition of investors pushing companies to come clean on what climate change means for them—and how they plan to deal with it in the future.



On a stage together for the first time at The Wall Street Journal's "ECO:nomics" conference today in California—well-separated, for certain—the two shareholder gadflies painted a radically different picture of what shareholders should care about

today. Judging just by the money they manage—and the wholly unscientific applause-meter from the crowd—it seems Ms. Lubber's CERES coalition is so far carrying the day.

Ms. Lubber, wearing a radiant green jacket, rejected suggestions she pesters anybody. Corporate boards have a "fiduciary duty to analyze risk," she says. "We just want to know the scorecard on what has become a fundamental economic issue."

Making big cuts in emissions won't be easy, or free. But prodding the market to put a price on carbon—and prodding companies to lead the way—will limit emissions and drive technological revolution, she said.

Hogwash, said Mr. Milloy. "Social activists" frustrated with slow

political progress on the climate front have taken their pitchforks to the corporate gates. And companies are falling for it, he says, by failing to chalk up all the costs of climate-change legislation, like that percolating in Congress.

CEOs who paint a rosy picture of their sudden greening “are just blowing smoke up everybody’s dress,” he said. Bills like Lieberman-Warner “are an economy killer” that will be far worse in the end than the “Don Quijote technology” like wind turbines that are part of GE’s call for a cleaner future.

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