Meet Patch, the startup making transparent climate action accessible at scale

As part of our quick fire questions series – or QFQs – we spoke to Brennan Spellacy, cofounder and CEO of Patch about climate goals, carbon removal and building the foundation for the market for carbon credits.

I've always known I wanted to spend my career focusing on addressing the climate crisis.

I studied chemical engineering with the intent of starting a career in renewable energy, but after graduating from McGill University, I was only able to secure jobs in the gas and oil industry. I quickly pivoted to tech, joining Shopify as a web developer for a few years and then onto a hotel marketplace, known today as Sonder.

It was at Sonder where I met my cofounder, Aaron Grunfeld. As very early employees at Sonder, we both learned how to leverage software to quickly scale a marketplace. We had the opportunity to help build a company from the ground up and when we left in early 2020, we knew we wanted to repeat the process on our own.

Aaron and I saw a pretty clear opportunity to apply the same marketplace principles to one of the most critical issues of our time: climate change.

Specifically, we saw a gap when it came to scaling carbon removal solutions. The science shows reaching our climate goals will require carbon removal to scale by about one million times our current capacity, but those looking to support these solutions face a market that's hard to navigate, resource intensive, and incredibly opaque.

We're applying the same marketplace principles we learned at Sonder to help create more efficient and effective carbon markets. Patch leverages the power of software to connect businesses ready to support climate initiatives with the groups who are developing and scaling these solutions. We've built a world class software experience that's breaking down structural barriers for more accessible and transparent climate action at scale.

Tell me about the business – what it is, what it aims to achieve, who you work with, how you reach customers and so on?

To avoid the worst impacts of climate change we must reduce emissions as quickly as possible (50% before 2030) and scale up global carbon removal capacity (5 -16 billion tonnes of removal per year by 2050). Patch is focused on helping scale technology solutions to achieve that removal capacity.

Patch connects organisations looking to take climate action with project developers, enabling the latter to scale their solutions at the critical pace the planet requires. Our marketplace provides broad access to climate action projects, instils confidence in every credit chosen, and ensures transparency in every transaction made.

Companies can purchase vetted carbon credits through one-time direct purchases, recurring multi-year offtake agreements, or an API that can connect any product experience to climate action. No organisation has democratised access to carbon credits this way.

How has the business evolved since its launch? When was this?

When we first founded Patch in March 2020, it was just Aaron and me. We've since brought in amazing talent, including tech veterans from Stripe, Shopify, and Plaid, as well as climate and policy experts. We now have a team of over 70 worldwide. We opened a European headquarters in London and recently

raised Series B funding. Our customer base has also expanded to over 200 companies internationally – this means that the 115+ climate projects available on Patch are seeing increased funding to scale their work and drive greater climate impact.

In terms of Patch's broader evolution, our objective is to drive activation energy on an individual level to zero, so we're constantly expanding our solutions to meet our users where they are. We're always iterating and evolving to suit our users' needs, and our goal remains consistent with our founding vision for Patch.

How are you funded?

We closed our _Series B funding round of $55M in September of 2022,_ bringing Patch to a total of approximately $80M in funding to date. Our most recent raise will allow us to double down on our European presence, where ~40% of our customers are based and continue our path of fast growth and iteration.

What has been your biggest challenge so far and how have you overcome this?

One of the biggest challenges I see is too much zero sum thinking when it comes to addressing climate change. Companies, politicians, and climate activists tend to operate under the assumption that taking one pathway to mitigate climate impact means the other solutions are not viable.

For example, at Patch, we come across companies who are working to reduce their internal emissions and as a result, decline to invest in carbon removal solutions or vice versa. I worry that this approach grossly underestimates the scale of the problem we're facing and the extent of solutions we need to put forward to have a fighting chance at resolving it.

Patch is helping to usher in a new mindset to end the era of climate investment austerity. We are working to reframe the zero sum mindset to a mindset of "all and" solutions to climate change, and this starts with acknowledging this is _a trillion dollar problem_. The only way to reach the scale of spend required to address climate change is by shifting the focus towards growing and increasing the level of investment versus solely reallocating it.

How does Patch answer an unmet need?

Before Patch, companies did not have a way to easily access carbon credit projects. Patch unlocks the flexibility to purchase as little as a gram to an entire gigatonne of carbon removal or avoidance. This adaptability means the system works for any business' budget or stage of climate action, ultimately delivering more participation in supporting climate action.

We also believe that an effective carbon market at scale will require complete transparency – an attribute the industry has historically lacked. Using technology to openly surface all carbon credit metadata will enable buyers, and ultimately the larger market to make more informed and impactful decisions to scale climate solutions.

What's in store for the future?

The market for carbon credits is on a trajectory to reach $50B in the next 10 years. Patch is the platform providing a simplified transaction foundation for this ecosystem, helping to ensure the market grows efficiently and effectively.

What one piece of advice would you give other founders or future founders?

My career as a founder is still in its infancy, but one learning that's already been invaluable is embracing rather than resisting non-linear paths. The best opportunities I've had in my career so far happened because I let go of the traditional view of career growth and took a chance moving "backwards" or "sideways." Startups are not a ladder you climb, but a jungle that you swing from vine to vine.

Brennan Spellacy is the cofounder and CEO of _Patch_.

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