



The Private Sector, Not Government, Should Spearhead Green Energy

Dylan Moore

June 12, 2017

Before President Trump pulled the United States out of the Paris Climate Agreement on Friday, corporations such as Apple, DuPont, and Google voiced their desire for the U.S. to stay.

An open letter to Trump signed by 16 leading companies says that U.S. businesses are “best served by a stable and practical framework facilitating an effective and balanced global response” to climate change. Many of these companies, however, are missing out on one important detail: They don’t need the government to push them toward renewable energy.

As of 2016, 71 percent of Fortune 100 companies have “large-scale, long-term power purchase agreements for renewable energy,” according to an Advanced Energy Economy study. Apple currently sources 96 percent of its power from renewable sources and is pushing its suppliers to follow suit.

These industry-defining corporations don’t need the federal government mandating they go where they’re already headed. As the tech giants move in the direction of sustainability, smaller companies will follow.

The Paris Agreement itself is simply a weak, non binding token of good faith. Among its 29 articles, the agreement stipulates \$100 billion will be mobilized by the richer nations. Ignoring the incredibly vague wording of “mobilize,” the document goes on to state that there really are no repercussions for a country breaking its promises.

The Cato Institute’s Patrick J. Michaels released a statement saying that the Agreement was “climatically insignificant.” He highlighted the Environmental Protection Agency’s (EPA)

estimates, which say the Agreement would only decrease temperatures by two-tenths of a degree Celsius by 2100.

Proponents of the Paris Agreement, like former Secretary of State John Kerry, believe that it's a triumph of global unity and solidarity. According to The Atlantic, Kerry said it sends "a critical message to the global marketplace" about green technology. There's nothing unifying about a nonbinding agreement except that the world's leaders can pat each other on the back about some pretty words. Though international unification is good, unification in word alone means little.

Meanwhile, in the private world, U.S. utility companies recognize that renewable energy is the future. In a study published by Utility Dive, a utility industry publication, and PA Consulting, a technology consulting firm, of 600 utility professionals, researchers found that only four percent of participants believe coal use will increase moderately or significantly in the next 10 years.

The same study found that solar, wind, distributed generation and hydroelectric energy are expected to grow much faster than oil and coal. This is the direction the private market wants to move, and the government's lip service does little to change that.

Though it makes little sense to be a member of the Paris Agreement, it makes even less sense for the Trump Administration to subsidize coal production. President Trump recently rolled back former President Obama's Clean Power Plan, artificially preserving thousands of coal jobs. It is a particularly dirty energy source headed toward extinction—government intervention is simply prolonging the inevitable.

A Reuters survey of 32 utility companies based in Republican states found that not one company plans to use more coal in response to this administration's environmental policy. Just as the government shouldn't be regulating companies toward green energy, it also shouldn't be propping up a harmful, dying industry.

Climate change is a global problem, but hollow agreements between heads of state will have little impact. Instead, we should laud the individuals who are actually putting their money where their mouths are. According to Reuters, private net deposits in green funds amounted to \$87 billion in the first four months of 2017. Consumers, investors and companies are the ones making the real push for a greener world.

Whether or not the U.S. is a member of the Paris Agreement will have little bearing on the march toward renewables. To combat climate change, we need the government to get out of the way.

Regulation is costly and redundant—it simply mirrors the direction the market is already heading.

Industry leaders are the ones trying to take us to a more sustainable future. We need to let them.