

Climate Change : Climate Politics

5. Climate Profile United States - Opportunities

More and more U.S. companies realize that addressing climate change can be good business. Opportunities to combine environmental work and profits exist in the Investment sector, the energy market or the insurance industry.



Already 330 celebrities, including George Clooney, have signed up to buy a Tesla Roadster, an electric car that goes from 0 to 60 mph (0 to 100 kph) in four seconds (Photo: Reuters)

The involvement of businesses seems to foreshadow changes in U.S. climate policy, and might develop the products and services needed to reduce the country's greenhouse gas (GHG) emissions. Nearly all companies surveyed by the Pew Center in 2006 believed that U.S. federal regulations on greenhouse gas emissions were inevitable. Some companies are already implementing measures to reduce GHG emissions. This would make them less vulnerable to compliance or clean-up costs once new laws get enacted.

Related Articles

- 1. Climate Profile United States - Introduction
- 2. Climate Profile United States - Fact Sheet

Investments

According to the World Resources Institute, many U.S. companies are developing new products and services for a "carbon-constrained" economy. Among those are technologies that improve energy efficiency in electricity, buildings, and transportation. Billions of dollars are also being invested in the development of renewable energy. As part of its "ecoimagination" campaign General Electric will invest 1.5 billion dollars in developing cleaner technologies by 2010. Citigroup announced that it would channel some 50 billion dollars over the next ten years into investments and activities that would improve energy efficiency and the use of renewable energies.

Energy

Participating in the World Wide Fund for Nature's (WWF) PowerSwitch Challenge, some smaller energy suppliers, such as Austin Energy in Texas and FPL Group in Florida, have begun to either phase out their coal-generating capacity or move toward increasing the share of electricity generated by renewables by 20 percent. According to the

World Resource Institute major corporations such as Starbucks, IBM, and Johnson & Johnson have already chosen renewable energy, because it lowers long-term operations costs and vulnerability to price fluctuations. Switching to "green" power also helps them to improve relationships with stakeholders and communities.

Insurance

Insurers in the United States are looking at ways to reduce the risks and amplify the opportunities of climate change. In 2006, Allianz US subsidiary Fireman's Fund launched a first-of-its-kind "green" insurance coverage that gives price incentives to energy efficient commercial buildings

Automobile Industry

The auto industry is anticipating more demand for hybrid and fuel-efficient cars. Sales of gas-electric hybrid cars, such as the Honda Civic, Toyota Prius, and Ford Escape, have increased by over 5 times since early 2004, now selling over 25,000 cars each month. Some U.S. car manufacturers, however, were slow off the mark and are now losing market shares to Asian and European competitors with energy-efficient models. Exceptions are U.S.-built luxury hybrids or high-performance vehicles like the Tesla Roadster, an all-electric car that can go from 0 to 96 kilometers (0 to 60 miles) per hour in four seconds.

Biofuels

Another development in sustainable transport is the federal government's promotion of the expansion of biofuel production, as a supplement or alternative to imported petroleum. An agriculture bill introduced in 2007 would grant subsidies for corn farmers in the Midwest to promote the production of E85, an ethanol-gas mixture. The Renewable Fuel Standard under the Energy Policy Act of 2005 also mandates that a minimum of 4 billion gallons of renewable fuel must be used in the USA from 2006 on.

But biofuels are facing criticism due to uncertainty about how more ethanol production would affect agriculture and environmental conditions. Hybrids and biofuels may serve as a bridge between petroleum-fuelled cars and more advanced and cleaner technology, such as hydrogen fuel cells. Sources: Pew Center on Global Climate Change, The Earth Institute at Columbia University, World Resources Institute, Worldwatch Institute, New York Times, Green Car Congress

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