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Curb Climate Change for the Price of a Coffee

Last week a newspaper headline stated that \$45 trillion is needed to cut greenhouse gas emissions in half by 2050. By reading the headline one would assume that solving the climate crisis is going to bankrupt the world - can anyone imagine that amount of money? It certainly sounds like an expensive and improbable proposition doesn't it? So let's dig a bit deeper into the numbers and do some quick math.

That \$45 trillion is to be spent over 40 years as an additional cost to produce green power from sources such as nuclear, wind and carbon capture. The study assumes an annual growth rate for the global economy of 3.3 percent per year. But let's even leave that out of the equation for a moment.

\$45 trillion over 40 years equals \$1.125 trillion per year for 40 years. \$1.125 trillion divided by 7 billion people (roughly the average world population between now and 2050) equals \$161 per person per year. Now divide \$161 per person per year by 365 days and you get a mere \$0.44 per person per day for 40 years to cut greenhouse gases in half by 2050, according to this study.

But remember, a couple of billion people in the world live on less than \$1.00 per day, so let's assume, for argument sake, that only the North America population absorbs all of the cost. This assumption takes the cost up to \$1.45 per North American citizen per day for 40 years to cut greenhouse gases in half by 2050.

So to put it in perspective, for less than the price of our morning coffee we can solve the climate crisis. Sounds like a fair deal to me! Now why can't the headline put it in that context?

Now let's look at this problem and solution from a business-opportunity point of view.

The report claims that 32 new nuclear power plants will have to be built every year, and an additional 17,000 wind power units added every year, as well as outfitting 55 coal and gas-fired plants with carbon capture technology each year from now until 2050. That is a \$1.125 trillion global market.

Two things come to mind:

1) If I am a large provider of energy products I would be planning to capture part of that renewable energy market. There appears to be a big future here!

2) If I am a government leader (provincial, state, federal) I would be thinking that we need to train thousands of our youth in developing these new energy technologies and encourage investment and R&D in our jurisdictions. This appears to be an incredible economic opportunity.

Every decade or two has a golden economic era - the boom years after WW II brought us millions of vehicles from Ford, GM and Chrysler; and the last 15 years have seen the birth and maturity of the Internet. And now, it is not hard to envision the next few decades as the golden years of renewable energy - not only for the economic value, but because it is the right thing to do.

Can we solve the climate crisis? I think that the evidence is clear that we can, and that we actually have a wealth of potential strategies to do so. However, it will take innovation and creativity, social and corporate commitment, and immense political will – but don't forget, all of these are renewable resources!

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