



Business Taking a Green Turn But Losing So Much Nuclear Will Hurt

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By Llewellyn King

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With serial hurricanes pounding the Gulf Coast, wildfires claiming life and property across the West, and temperatures soaring up to and above 120 °F on the West Coast, it is hard to argue that climate change is not a clear and present danger.

Additionally, there are reports that the ice shelves propping up two major Antarctic glaciers are breaking up, and both can be expected to have a major effect on global sea level rise.

In contrast to the Trump administration's relatively muted response to these developments, business appears to be more than convinced of the dire nature of the climate challenge and to be responding, albeit unevenly.

Trend-setting technology companies like Amazon, Google and Uber are leading the way to the greening of American business.

Amazon is switching from diesel trucks to 100,000 electric vehicles. Google intends to be carbon-neutral by 2025 and is investing in many alternative fuel projects. Uber is enthusiastic about electric vehicles. Walmart, locked in competition with Amazon, is part of the green rush.

Even the oil and gas industry, as represented by the American Petroleum Institute, is pushing its own green efforts, including carbon capture, utilization, and storage. The industry is particularly active in reducing methane emissions from fracking operations, a pernicious source of greenhouse gases.

Global financial institutions are on board, coming together to measure the carbon impact of loans and investments. This extends from huge syndicated loans for giant projects down to home loans.

Mortgages are important, says Jan-Willem Bode, a London-based partner at Guidehouse, the globe-circling consultancy. "You can reduce the emissions that exist on mortgages by lending to homeowners to invest in solar panels, which they can put directly on their roof, making the mortgage more resilient by being lower carbon-intensive," he explained.

Guidehouse has brought together more than 70 banks and investors, representing more than 12 trillion in assets, in the Partnership for Carbon Accounting Financials (PCAF). Its members, including Amalgamated Bank, Bank of America, Citibank, NatWest, Morgan Stanley and BlackRock, are working to develop a global accounting standard that can be used by all financial institutions to measure and reduce their climate impact. PCAF is expanding into Asia and Latin America, according to Bode.

The electric utility industry—the focus of most environmental attention—is moving swiftly to reduce carbon emissions by phasing out coal and supporting larger purchases of renewable energy from wind and solar. But the environmental gain is reduced because even as they are phasing in renewables, they are being pushed by financial considerations to phase out nuclear power, which is the mother lode of zero-carbon electric generation. Even in California, a climate-change champion, its remaining nuclear power plant, the two-unit, 2,200 MW Diablo Canyon, is scheduled to close. A bitter pill, indeed.

Altogether, 12 of the nation's plants have been shut down or are scheduled to close by 2025. This makes a mockery of public policy in other areas.

The result of Trump's positions is going to make it difficult for his administration going forward to adhere to rigorous carbon avoidance. If he should be reelected in November, his party will be divided between business-minded and patriotic Republicans who see a danger in climate change and those who feel that they must toe the line and push policies that conform with the president's utterances and beliefs. There also will be divisions within families, and there already are, between Trump loyalists and people who feel that the administration is at odds with reality over climate change.

If, as seems likely, former Vice President Joe Biden and Democrats carry the day in November, there will also be tensions and the party will be divided, not over the need for a carbon-constrained future, but the nature of the policies that would bring that about.

Traditional Democrats, some aligned with business, are going for a balanced reduction in carbon and the use of more nuclear. Nuclear, for the first time is in the party's election platform. But that is not the whole story.

If the new administration and the Democrats in Congress are to seek to implement the left wing's environmental bible, the Green New Deal, then there is going to be trouble and ructions.

The principal authors of the Green New Deal, Rep. Alexandria Ocasio-Cortez (D-N.Y.) and Sen. Edward Markey (D-Mass.), have very definite ideas about the energy future they want, and, if reelected as expected, are going to make it very hard for a balanced approach to climate change. Both are hostile to nuclear and have declared their preference for just two forms of generation:

solar and wind. They are, in that, doing what governments are often accused of: picking winners and losers.

Markey, in his long congressional career, has been single-minded in his opposition to nuclear; fanatical, in fact. Behind Ocasio-Cortez and Markey stands the left wing of the Democratic Party, led by Sen. Bernie Sanders of Vermont, who ran for president as a Democrat but has always been an independent socialist. He is the only member of Congress to have embraced the socialist designation.

The fight for nuclear will have to be carried on outside the Congress as well as in it. Some of the nuclear defenders are environmentalists: Of note is the Union of Concerned Scientists which was formed by MIT physicist Henry Kendall in 1969 for the specific purpose of opposing nuclear and was for a long time an effective anti-nuclear voice. Kendall was killed in 1999 in a cave-diving accident and the organization now has called for policies supporting preservation of the existing U.S. nuclear fleet.

While business has been increasingly a voice for carbon emissions reduction, it has not yet said with a cohesive voice how the electricity of the future should be generated. That it will be an election issue, after the current spate of disaster, should not be in doubt.

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