

STORM WARNINGS

Vol. 6 Issue 1 – June 2017
Climate Change: What Next?

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President Donald Trump's announcement that the United States would pull out of the Paris Climate Agreement – herein called the Paris Accord – ignited a global firestorm with the specter of unintended consequences a likely reality. In this issue, our publisher, R. Michael Conley, will explore the ramifications of this decision and how it will play into the perfect storm. He will also discuss a bright light that is now emerging.



R. Michael Conley
Founder

"We are heading into a perfect storm and don't see it coming," according to R. Michael Conley, Founder of Weathering the Storm, LLC and this website.

The WTS mission is to "Awaken, engage and help others to weather the storm."

The WTS website provides the following on a regular basis:

Storm Warnings: An in-depth quarterly newsletter.

News Flash: Frequent postings on topical perfect storm issues.

Best Practices: Featuring leaders in sustainability practices.

WTS: Did the President's decision to pull out of the Paris Accord surprise you?

Conley: It did, indeed. While it was consistent with his campaign pledge, I thought he might back off this particular pledge as he has others. It's not unusual for newly-elected presidents to modify their campaign positions once the realities of governing come into play.

What mystified me is that there seemed little upside to countermanning global opinion, scientific data and strong domestic support for staying in the Accord. I read his transcript and listened closely to others, but the rationale still escaped me. Frankly, I'm baffled.

WTS: What were the President's reasons for pulling the plug on the Paris Accord?

Conley: Who knows for sure, but the main reasons given were that the Paris Accord was; a) unfair to the United States and placed burdensome rules on what we could and couldn't do, b) harmed our economy and was a job killer, c) not worth the costs for the miniscule benefits gained, and d) costly to the United States in terms of ongoing aid to underdeveloped nations. With all due respect, the President's rationale doesn't seem to jibe with the facts.

WTS: Before discussing his decision, could you comment on the Paris Accord; specifically, the history, spirit and intent of the agreement?

Conley: Without getting too deep into the weeds, the Paris Accord represents the culmination of over twenty-five years of hard work dating back to 1992; the year in which 197 nations – including the United States – signed off on the United Nations Framework Convention on Climate Change (UNFCCC). The Kyoto Protocol and the COP (Conference of the Parties) initiatives that followed were

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About the Founder:

Mike Conley is the Founder of Weathering the Storm, LLC and Chairman & CEO of the Conley Family Foundation. As a former Fortune 500 business executive, author, lecturer, and public policy activist, Conley has written and spoken on topics related to the perfect storm. He graduated from the University of Minnesota, after serving in the U.S. Navy, and later completed a post-grad program at Stanford University. He is active on several boards and advisory groups.

products of this framework. The COP-21 conference in Paris brought it all to a head, and the Paris Accord was signed by 195 nations in December, 2015.

Ironically, the United States was heavily engaged behind the scenes, and the final agreement was pragmatically written to avoid the pitfalls of previous agreements. It featured a “bottom-up” versus a “top-down” mandated approach for setting goals and protocols.

It called for nations to submit an action pledge outlining their voluntary emissions strategies and goals. It then provided a mechanism for monitoring and reporting on progress on a regular basis. The results were not binding, and nations were not told what they could and couldn't do. It recognized that every nation had its own unique set of circumstances.

The hope was to build a consensus and use peer group pressure among nations – not mandates – to gradually improve upon the target goal of limiting global warming to two degrees centigrade from pre-industrial levels. It called for progress not perfection.

Bringing together 195 sovereign nations in a collective effort to save the planet was an extraordinary achievement, and while there were still loose ends like how to fund the \$100 billion dollar “*Green Climate Fund*,” there were built-in mechanisms for revisions with “wiggle room” to maneuver.

WTS: Given its voluntary and flexible nature, is the President's rationale for exiting valid?

Conley: Look, this isn't meant to be a Trump-thumping exercise. He made a call based on his best judgement, and I respect that. I just don't happen to agree with it. For openers, I see the Paris Accord as a job creator – not a job killer; one that would greatly benefit the United States.

Coal miners won't lose their jobs because of the Paris Accord. Automation, the marketplace and better energy alternatives are the “culprits” in this drama. By contrast, a headline in a Forbes article on 1/25/2017 read: “*Solar Employs More People In U.S. Electricity Generation Than Oil, Coal And Gas Combined.*”

Longer term, the renewable energy/demand reduction market is estimated to grow to a \$6 trillion-dollar range by 2030. It is truly an engine of growth that aligns beautifully with the Paris Accord and in the wheelhouse of American core competencies; technology and innovation. Clearly, it will be advantageous to be active in the Accord; one that we are now leaving.

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WTS: Is the Paris Accord unfair to the United States?

Conley: Considering our accumulated carbon emissions over the years in comparison to other countries, I'd say the agreement was a real bargain for us.

An agreement of this magnitude has to be considered in its entirety and not cherry-picked point-by-point. Because of its voluntary nature and room for maneuver, it's hard to see where the Accord is unfair to the United States. No one is "mandating" what our energy mix should be or telling us "Thou shalt not use coal." It's the marketplace – not the Paris Accord – that will drive future energy decisions, and we need to stay plugged into that marketplace.

WTS: Will our announced departure from the Paris Accord take place immediately, and what happens in the interim?

Conley: Exiting the Accord is a long and winding process that could take up to four years to complete. Ironically, that's right around the time of the 2020 presidential election. In the meantime, you can bet that the Paris Accord nations will be watching what we do – particularly at a non-federal level – with respect to climate change initiatives.

The real harm is this: The United States, a major polluter, was being counted on to generate significant emission reductions and to use its influence to give traction and weight to the agreement. Our withdrawal makes the job that much harder for the Accord nations and may cause some to relax their efforts; as in "if the United States won't play ball, why should we?"

It must be disheartening for them to see how we are abandoning federal support for the *Clean Power Plan*, dismantling the EPA and relaxing CAFE fuel efficiency standards, to name a few. In light of what other nations are prepared to do, these are not the actions of a good world citizen. There will be ripple effects with unintended consequences; that's almost a given.

WTS: Regarding the ripple effect, how does it all fit into the "Perfect Storm" scenario; the theme of this publication?

Conley: We refer to the *Perfect Storm* as the collision of energy, environmental, economic and behavioral forces and the chain reaction of events it will produce. In this interactive system, a change in one system – like climate change – can dramatically affect all other systems.

In a geopolitical sense, we are, by default, relinquishing our leadership position in this arena for no good reason; looking instead like a global pariah. By contrast, China is filling the void with its solid backing of the Accord and heavy investments in its renewable energy systems. Their market share in the production and sale of solar panels and wind turbines is also growing, and they seem to see the Accord as an opportunity for job creation and not an unfair "job-killer."

Economically, we are shooting ourselves in the foot. Our ability to compete in the flourishing clean

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energy and demand reduction markets may be compromised by our non-member status in the Accord – particularly if the Accord nations levied a penalty on non-member nation products and services. A “Brexit” type pull out from the Accord could be most painful.

Nations may also feel the United States left them high and dry on an issue of crucial global importance. A trust was broken, and even our traditional allies may be less willing to side with us on future issues of importance; the screw turns both ways. Sadly, our painstaking efforts to help forge the Paris Accords may all be overshadowed by a few brief remarks made in the Rose Garden of the White House on June 1, 2017.

It’s hard to say how the global community will react, but my point is simply that there is far more at stake here than just the climate agreement. Newton was right; where there’s an action, there’s also a reaction; Food for thought.

WTS: The President indicated he might try to negotiate a “better deal.” Can he?

Conley: I highly doubt it. Think about it: Why would the Accord members risk unravelling a deal so painstakingly put together just to give the United States a better deal? This is not a bilateral agreement between two nations; It would probably require a signoff from all nations, and many of them are not fans of the United States. It’s a disingenuous proposition, and I seriously doubt that even Mr. Trump believes it can happen.

WTS: You have laid it out pretty well; are there any other areas that concern you?

Conley: The whole “America First” notion that everyone is dumping on the United States concerns me. (See: *“An Attitude of Gratitude”*) It creates a zero-sum game mentality that suggests we can only win if others lose and that collaborative solutions are all but impossible. It focuses on short term transactional gains and disregards longer term strategic implications. Our exit from the Paris Accord is an example of this kind of thinking.

Internationally, the “pariah” status we are gaining goes against our values. Unlike the Marshall Plan that America so benevolently put forth to save a war-torn Europe, our actions on the Paris Accord have a totally opposite look: one of self-serving greed and gluttony. Our brand is being tarnished; We’re looking more like the spoiled brats of the planet.

The intergenerational impact deeply concerns me. Time is working against us and we need to take aggressive actions now to stem the build-up of greenhouse gases. We may be frittering away one of our last best chances to make a global difference by pulling out of the Accord.

WTS: You mentioned earlier that there may be a bright spot; would you care to comment?

Conley: I’m no Pollyanna, but there is a bright spot that could evolve into something really big. The President’s decision could well be the *Pearl Harbor* that ignites and galvanizes a broad spectrum of our grassroot society to replace the void left by a federal government in retreat.

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Within hours of Mr. Trump's pronouncement, a massive groundswell of business leaders, state and local governments, and a broad base of the voting public expressed their desire to honor the precepts of the Paris Accord even though our federal government was backing off. A grassroots movement is building. Non-profit organizations engaged in clean energy and environmental activities are also seeing an explosion of interest from concerned citizens that want to get involved.

The climate change train has left the station, and the center-of-gravity has suddenly shifted from the federal government to a broad spectrum of local and regional players. Countries might now seek arrangements with our state and local governments, and this is an encouraging sign.

WTS: Sounds good, but is it sustainable?

Conley: That's an important question. Personally, I believe that it is not only sustainable, but also the surest route to get us to where we need to be. It's slower, of course, than a mandate from our federal government, but it will have more staying power in the long run. There are several forces in play that will help sustain the momentum:

- 1) State and local governments – like California, New York and Minnesota – are staying true to the Paris Accord despite federal inaction.
- 2) The business community is heavily engaged in efforts to link economic growth with a cleaner environment and will continue to be job creators in this endeavor.
- 3) Our citizenry is getting involved. Local involvement and the concomitant leverage it provides will influence our legislators and reshape the pathways they pursue.

WTS: Do you have any closing thoughts to share with us?

Conley: Yes. Keep the faith and don't let a good crisis go to waste. Our President's decision could spark a great backlash call for action, and when the grassroots gets energized, things begin to happen. In the meantime, we should continue to strive for and make significant progress with or without the federal government.

Mike Conley

For more information, please visit our website: www.weatheringthestorm.net

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