

**Testimony of Anne Kelly
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**U.S. House of Representatives, Committee on Natural Resources, Subcommittee on
Energy and Mineral Resources**

“The Case for Climate Optimism: Realistic Pathways to Achieving Net-Zero Emissions.”

October 17, 2019

Chairman Lowenthal, Ranking Member Gosar, and members of the Subcommittee:

Thank you for the opportunity to speak with you. My name is Anne Kelly, I am Vice President for Government Relations at Ceres. I direct the Business for Innovative Climate and Energy Policy (BICEP) network — a group of 55 major U.S. companies committed to advocating for ambitious climate and clean energy policies.

Climate change is the most significant threat to the U.S. economy. To mitigate that threat, the science is clear: we must limit global average temperature increase to 1.5 degrees Celsius,¹ which requires the world to reduce emissions to **net-zero by 2050**.

Some impacts of a warming world are already locked in, but if we act now, we can avoid the worst of it, and strengthen our economy at the same time. Businesses are already feeling some of those impacts.

- A 2019 World Economic Forum report ranked extreme weather, natural disasters, and failure of governments to act on climate change as three of the five greatest risks to business.²

¹ <https://www.nytimes.com/interactive/2018/10/07/climate/ipcc-report-half-degree.html>

² http://www3.weforum.org/docs/WEF_Global_Risks_Report_2019.pdf

- In 2017, 153 billion hours of labor were lost worldwide from heat exposure, an increase of 62 billion hours lost relative to 2000.³
- Also, in 2017, three storms — Harvey, Irma, and Maria — together cost the United States economy over \$265 billion and collectively cost over 3,100 lives.

The risks of climate change are sobering and **companies are taking action**. They've done the math. They see risks to their business from a changing climate, and cost-savings of investing in low carbon technologies and practices. They feel pressure from employees, customers, and investors concerned about financial risk and corporate responsibility. But mostly - they are taking action because it makes financial sense.

-Corporate America, which is laser focused on the bottom line, is procuring record amounts of clean energy and transportation, and working with their supply chains to reduce their extended emissions. Increasingly, these efforts are tied to net-zero targets.

-In 2018 global corporate power purchase agreements for renewable energy set a record of 13.6 gigawatts. 2019 will surpass that.⁴

-204 major global companies including 3M, ebay, Kellogg's, General Motors, Nike, Target, and Adobe have committed to sourcing **100% of their energy from renewable electricity**.

-Over 650 companies have committed to align their operations with a two degree world and

³ <https://www.nature.com/articles/s41598-019-50047-w>

⁴ <https://www.bloomberg.com/news/videos/2019-08-15/bnef-brief-corporate-ppa-market-set-to-reach-new-heights-video>

100 of those companies, including Amazon, Mars, Levi's, and Salesforce have committed to aligning their businesses with a 1.5 degree world.

Many **power companies** are doing the same. Xcel, AEP, NRG, and Duke have set targets to eliminate emissions from power generation by mid-century.

A new study finds that The U.S.-based "green" economy generates more than \$1.3 trillion annually and employs roughly 4% of the U.S. workforce. Between 2013 and 2016, annual revenue for⁵ the green economy shot up over 20%, representing an additional 1.5 million jobs.

But on their own, corporate commitments aren't enough. A comprehensive **science-based policy response** from Congress is essential for the U.S. to reach net-zero by 2050. This response should begin with a binding net-zero emissions target. The cornerstone policy should be a technology neutral **price on carbon** that puts all energy sources on a level playing field- which Companies in **all sectors** support. In fact, 75 companies with a presence in all 50 states came to the Hill last spring to call for a strong price on carbon.

BICEP is pleased to see bipartisan support on climate and clean energy, including Ranking Member Gosar's Public Lands Renewable Energy Development Act, and the recent Republican-sponsored carbon pricing proposals.

In addition to a price on carbon, Congress should support a portfolio approach of standards, R&D investments, necessary regulations, and incentives, targeting the five sectors responsible for the majority of our emissions: **Power, Transportation, Buildings, Industry, and Land**

⁵ University College of London

Use.⁶

Climate change is a global problem that requires a global solution. The U.S. must remain in the Paris Climate Agreement. Businesses and investors agree. Over 2200 of them including Microsoft, Walmart, JLL, DuPont, and Citi are members of the *We Are Still In* coalition - a network of real economy actors supporting continued U.S. participation in the Paris Agreement.

We take an unacceptable risk to the U.S. economy and the quality of life for future generations by not acting on climate change immediately. The private sector is taking action and is calling on lawmakers to enact new and ambitious policies. We can achieve net zero emissions by 2050. Now is the time for Congress to act and business has your back.

Thank you, I'll be happy to answer your questions.

⁶ <https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>