

CLIMATE CHANGE INVESTMENT: WORTHWHILE AND NECESSARY

By: John L. Parker

Many self-evident benefits require investment. This axiom is particularly applicable to environmental issues. The changing climate, although not the only important environmental issue, is the pressing issue in the United States. Based upon past efforts addressing environmental concerns, there is cause for optimism as the country seeks a path forward.

Some 50 years ago, many of the nation's waterways were significantly polluted. A river in Ohio burned because of its industrial contamination. In 1972, Congress created the modern-day Clean Water Act to address these and other water issues. At its core, it was a technology-forcing law that was meant to encourage and require increasingly cleaner water over years as new and updated technologies were developed and implemented.

What made water fundamentally cleaner in the United States?

A substantial investment was needed to build infrastructure to clean our waterways. Congress met that need, providing \$60 billion in funding in the first two decades after the enactment of the law. These monies made the lofty goals of the legislation - for fishable and swimmable waters – possible by implementing and enabling treatment plants and water infrastructure to be built and operated. Waterways became cleaner and public health improved. There remains much to do with clean water, but what is crystal clear is that people looking at our rivers and waterways fifty years ago would not imagine the improvement in water quality that we see today.

Today's environmental challenge is even greater.

Scientists studying the climate have found that we are on the threshold of a climate change catastrophe if things do not change significantly in this decade. International meetings, as recently as fall 2021, have sought significant reductions in carbon emissions in order to hold the world to a manageable increase in future temperatures. The desire to implement and incentivize change to accomplish these reductions was clear, but the commitment in terms of resources to get the job done was not.

In August 2022, the Inflation Reduction Act became law. It provides \$369 billion for a variety of climate related environmental initiatives including advancing manufacturing of clean energy products, reducing climate changing emissions, and advancing environmental justice initiatives as the energy transition moves forward. The new law sets the United States apart from other industrialized nations and thrusts it into a leadership role for the lower carbon economy of the future. The lofty goal for this

legislation is to reduce carbon emissions 40% by 2030, which is needed to stave off the worst of climate change impacts – from extreme and dangerous weather to severe droughts to sea level rise throughout the United States and the world. By 2050, the spillover benefit from this investment is estimated to reduce the costs of climate change impacts by \$2 trillion in the United States alone.

These substantial investments in cleaner technologies will help Long Island benefit from the wind turbine industry being built offshore and will provide much needed incentives for the purchase of electric cars, the transition of the energy system, new and effective ways to re-use properties by encouraging the necessary storage of energy, and renewable electricity generation, among others. The climate change investments are needed for the technologies and systems to be built into our communities.

The \$369 billion provided by this new law, to be sure, is not enough to address climate change. But like the clean water lessons of the past, it will make a substantial difference. These monies will encourage entrepreneurship and innovation in American business that will more than jump start a clean energy transition. They will make change possible in ways that folks now cannot imagine but will be realized within the next 50 years. The climate investment will enable United States leadership in new cutting-edge technologies, and well spent, will help power changes to our business future and to our homes that will immensely benefit and change our communities. These funds are an investment in a brighter future.

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