

It's the Clean Economy, Stupid

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It is often said that we don't give credit to the first person to have an idea, but to the first to take it seriously. I thought of this last week when venture capitalist John Doerr announced that his firm, **Kleiner Perkins Caulfield & Byers**, one of Silicon Valley's most respected investment firms, was earmarking \$100 million US for clean technologies. Doerr isn't the first to think of technologies that help provide cleaner energy, transportation, air and water, but his voice, and his pocketbook, could do what no brainy inventor has yet been able to – bring these technologies into the mainstream. Equally important, his actions should ignite a conversation here in Alberta about where our economic future might lie.

We are entering a period of great change in the way our world works. The global atmosphere is warming, and most of this warming is due to human activities that release greenhouse gases (GHG) and other air pollutants. Water supply and quality is a life-threatening issue for over half the world's population – more than 50 countries on five continents might soon be caught up in disputes unless they can quickly agree on how to share water resources. The list goes on, and most of us have become inured to the bad news, especially from a position of relative affluence in Alberta. And yet, is our wealth genuine? Are we vulnerable as a result of the choices that we're making today? And crucially, are we missing a huge economic opportunity by continuing to roll the dice on fossil fuels? The evidence suggests we might be. Our oil and gas-based economy creates roughly 25% of Canada's emissions of

carbon, nitrogen oxide, and sulphur oxides. This accelerates climate change and air pollution and has very real social and economic costs – the **Canadian Journal of Public Health** has chronicled the increase in premature deaths in Calgary and Edmonton as a result of air pollution. With respect to water, runoff volumes this Spring are below average in the Milk, Red Deer and North Saskatchewan River basins. In the Bow, runoff volumes range from below average-to-average. Granted, we had a very dry winter, but I wonder if we might be witnesses to the leading edge of profound ecosystem change? Unless we know for sure that the answer is no, we should make choices about how we live and fuel our economy that keep our options open. And therein lies the promise of clean technologies. As Doerr puts it, green technologies “could be the largest economic opportunity of the 21st century. There's never been a better time than now to start or accelerate a greentech venture.”

All of this gives me pause. What's stopping Alberta, or more specifically Calgary, from becoming a world leader in the development and commercialization of clean technologies? Clean energy is an obvious, and lucrative play here. Clean energy markets grew to \$40 billion in 2005 and are poised to expand fourfold to \$167 billion by 2015. In the face of this opportunity, what are the conditions we'd need to create to help clean energy entrepreneurs connect with partners, formalize business plans and qualify for venture capital financing? To meaningfully confront the challenges facing clean energy such as distribution channels for biofuels, rising steel costs for wind turbines, a shortage of silicon for solar cells, and the slow adoption of fuel cells and hydrogen? To link Alberta's (and Canada's) economic competitiveness and prosperity to a clean technology future?

When James Carville coined the expression “the economy, stupid” to keep Bill Clinton’s 1992 Presidential campaign on message, it struck a cord. And rightly so. The economy affects each of us every day and we should all know more about how it works. More important, we should all become participants in a strategic conversation about how it should work – now and in the future. I have a feeling that clean technology is going to become a key hinge point in a new economic order. So gather round and let’s all say it together: “it’s the clean economy, stupid”.

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