



ENERGY NEWS

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Mitigating the Risks of Global Climate Change

by Robert Farmer, ©1997

Last month I had an opportunity to listen to the principal exponents of the global climate change debate as they presented their views at a seminar in Coral Gables. *Beyond Business — Global Climatic Change*, was presented by Employers Reinsurance Corporation, the second largest reinsurer in the United States and one of the largest reinsurance groups in the world. For those not familiar with reinsurers, they insure the insurance industry. The largest reinsurers, such as Munich Re and Swiss Re, are based in Europe.

Faced with catastrophic property losses from hurricanes in the 1990s (eg. Andrew, \$15 billion) the insurance industry is more than a little spooked by the recent trend in severe and frequent hurricanes in addition to other climate-driven disasters elsewhere such as floods, hail, and tornadoes. And they've taken action.

Noting that they make multimillion dollar decisions every day based on far less certainty than global warming, they have now organized themselves into a powerful group. Just a few months ago ERC became the first US member of the United Nations Environmental Programme/Insurance Industry Initiative (UNEP/III) joining 60 other insurance and reinsurance companies from 23 countries in a pledge "to take concrete actions to

help mitigate the risk of potential climate changes".

Educational seminars are part of the agenda and this one was ERC's kickoff for a series of six climate-related conferences to take place this year. With a \$4 trillion property exposure to hurricanes in the US, of which \$2 trillion is in Florida alone, Coral Gables was therefore as good a place as any to ask the question: "Is global warming contributing to the frequency and severity of hurricanes?"

There was no conclusive evidence presented linking hurricane trends to global warming, but the ocean temperature link is indisputable. Interestingly, there is no argument that carbon-fuel emissions are contributing greenhouse gases. Some suggest that increased greenhouse gas emissions may even be beneficial. For others, it's a question of how catastrophic global warming will be.

The worldwide scientific consensus is that within a few years we won't have a long list of questions anymore because *everyone* will notice the results — we'll be seeing warmer temperatures, icecaps melting, sea levels rising, greater frequency of drought, and so on.

Dr. Jeremy Leggett, the keynote speaker, directs The Solar Century, a non-profit company "dedicated to accelerating the growth of solar markets as a route to abating enhanced greenhouse risk." He

also convenes the Oxford Solar Investment Summit, a forum for insurance companies, banks and pension funds to seek proactive risk abatement and loss reduction through solar energy projects.

His stunning opening graphic was a night image of Earth taken from space in which our atmosphere looks like a thin protective film, not the robust medium you might expect that provides our planet with all life. Soberingly, Leggett says our atmosphere contained less than 600 billion tonnes of carbon during the millennia in which human civilization developed, but we're now on track, within a century, to put the *thousands* of billions of tonnes of carbon contained in Earth-bound fossil fuels, into the atmosphere.

Dr. Leggett and the reinsurance industry are determined this will not happen. •



Robert Farmer is an energy planning engineer and energy policy specialist. A comprehensive resource on technologies, issues, and policies, he offers clients strategies, briefings, and presentations on planning a sustainable energy future.

His technical expertise includes large scale to small scale power generation, combined heat and power (CHP), marine and surface transportation, and alternative fuel applications.

A Florida resident since 1984, Robert was a member of the Energy Advisory Committee of Governor Chiles' Commission for a Sustainable South Florida.

He is a Regional member and Market Development Chair of the Gold Coast Clean Cities Coalition (a U.S. Department of Energy program), and a member of the Southeast Air Coalition for Outreach (SEACO, an initiative of the Florida Department of Environmental Protection).

He is a member of the international Association of Energy Engineers (AEE) and since 1992 has served on the Board of the Southeast Florida Society of Energy Professionals, the local AEE chapter. He is a member of the Sound Science Initiative of the Union of Concerned Scientists, and a member of the United States Association for Energy Economics (USAEE).

He is also a member of the Board of Directors of the Tallahassee-based law firm, Legal Environmental Assistance Foundation, Inc. (LEAF), and of Third Planet, a Fort Lauderdale-based public charity.

He graduated as a Planning Engineer with Bristol-Siddeley Engines/Rolls Royce Gas Turbines Ltd. in the United Kingdom and has over 30 years engineering, sales and service management experience in the engine power industry in North America.

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