

Obama Announces Plan for Reduction of Greenhouse Emissions From Government Created Business Opportunities

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On Thursday, March 19, President **Obama** issued an **Executive Order** directing the federal government to reduce its **emissions** of greenhouse gases by 40 percent from 2008 levels and increase its share of electricity from renewable sources to 30 percent of electricity consumed by 2025.

The executive order on "Planning for federal sustainability in the next decade" also directs federal agencies to reduce energy use in federal buildings by 2.5 percent per year through 2025; reduce water use in federal buildings by 2 percent per year through 2025; reduce per-mile greenhouse gas emissions from the federal fleet by 30 percent from 2014 levels by 2025; and ensure 25 percent of total energy use is from clean sources by 2025.

The executive order was announced in conjunction with a roundtable of major federal suppliers who also agreed to disclose emissions and set greenhouse gas reduction goals. Federal suppliers making greenhouse gas commitments include IBM, GE, Honeywell, SRA International, Humana, CSC, AECOM, Science Applications International Corporation (SAIC), HP, Northrop Grumman, United Technologies, CH2MHill, ADS Inc., and Battelle.

The white house's fact sheet accompanying the executive order stated the new commitments "support the United States' international commitment to cut net greenhouse gas emissions 26 to 28 percent below 2005 levels by 2025, which President Obama first announced in November 2014 as part of a historic agreement with China." The federal government is the single largest consumer of energy in the United States, and as a result, the white house stated the emissions reductions in the executive order will result in broad impacts across the supply chain.

The executive order builds on President Obama's 2009 executive order on "Federal leadership in environmental, energy and economic performance," which directed federal agencies to reduce greenhouse gas emissions by 17 percent from 2008 levels and increase renewable energy use to 9 percent.

This executive order initiative provides opportunities for at least the following categories of businesses: (1) manufacturers of energy efficient products that are sold to the federal government; (2) developers of renewable energy projects that are associated with low carbon emissions; and (3)

energy service providers that focus on strategies to reduce carbon emissions from office buildings. For this reason, we wanted to bring the issuance of this new executive order to the attention of our business clients.

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