

Resilience from Environmental and Energy Markets

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This presentation will consist of a general discussion about the use of market mechanisms and the private sector as a method of adapting to climate change. This will include a discussion of its potential and its limits. Topics to be covered include definitions of market mechanisms and the regulatory mechanisms that control and limit their use in responding to climate change. Environmental and energy markets and regulations impact resilience, especially from extreme weather events, and in coping with more likely environmental degradation from climate change. For example, the development of microgrids in the private sector to provide essential community services is increasing, especially after the lessons learned from Superstorm Sandy. Rather than just providing backup generators for hospitals, which has been identified as required for some time, providing a full complement of essential services is becoming more critical - in order for a community to more quickly recover, power is needed for gas stations, ATMs, grocery stores, and cell phone towers. Microgrids can provide a way to power specific services to improve resilience, using fossil-fuel generation, solar, and storage. Where microgrids exist may provide additional market incentives for businesses to locate to those areas, leading to increased resiliency.