



## Stanford eCorner

### Energy Reform and Cap and Trade

Steve Westly, *The Westly Group*

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Business leaders put pressure on elected officials, and they should be vying for a worldwide mandate on energy reduction, cleaner building materials, and the adoption of Japanese and European energy standards that are some of the most stringent in the world. Steve Westly, Founder of The Westly Group and former CFO of California, calls for global reform and the adoption of carbon cap and trade, stating that these real solutions to help propel the planet aren't any more difficult to implement or use than EBay.



#### Transcript

There's this international student group called Student Crossroads? Audience: Energy Crossroads. Steve Westly: Energy Crossroads. There's lobbying business leaders around the world because at least in most of the world, perhaps a little less than China but certainly in Western capitalist countries, business leaders put huge undue influence on their elected officials. I know this; I am one. And I used to be on the other side of the equation. What should they be saying? It's three things. Number one, move to the highest fuel efficiency standards possible. Who has the highest fuel efficiency standards? Actually, Japan. The whole world ought to be mimicking Japan's auto standards. They've done the best job.

Number two, we've got to have a worldwide mandate to get to at least 20% alternatives for electricity generation as soon as humanly possible, ideally within five years. That is a big, big deal. That will put pressure on China, but I am utterly convinced China can get there. Number three, this issue of clean building materials is huge. The materials we build buildings with and the way we construct them -- think lighting as well as energy efficiency -- has an extraordinary impact on how much energy we use. You may have heard the terms "gold LEED standard", "platinum LEED standard". There needs to be universal or international standards on buildings. This is not complex stuff. They're already doing it here. They're already doing it in Europe.

We need international standards as soon as we can get and then overarching all of this is, in my opinion, a cap-and-trade program. We're already doing it. By the way, it's not that hard. I helped take this company public called eBay. And it makes no different than a cap-and-trade. It's an auction thing. Pierre developed it in the back room in his apartment. Any one of you can develop a cap-and-trade trading system. It's not that tough. California has passed one.

Again, Europe is a little ahead of us, but those are the keys.