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Catching Up On Climate | Episode 5
Dave Ernsberger & Mark Eramo, Co-Presidents, S&P Global Commodity Insights

We close out our *Catching Up On Climate* series this week with Dave Ernsberger & Mark Eramo, Co-Presidents of S&P Global Commodity Insights and Members of S&P Global's Executive Leadership Team. David Greely sits down with Dave and Mark to catch up on the state of U.S. policy and the global discussion on energy, climate, and sustainability after New York City Climate Week – and where we're heading next.

Dave Ernsberger (00s):
There was an expectation, really, that answers would come from the United States first, the EU second, and perhaps North Asia third. I think that in the coming five years, that's going to be turned very much on its head. And listening skills will become very important because the questions will be coming from North America, the European Union, and North Asia, and the answers are coming from some very surprising places.

Announcer (25s):
Welcome to SmarterMarkets, a weekly podcast featuring the icons and entrepreneurs of technology, commodities, and finance ranting on the inadequacies of our systems and riffing on ideas for how to solve them. Together we examine the questions: are we facing a crisis of information or a crisis of trust, and will building Smarter Markets be the antidote?
This episode is presented by Base Carbon, sensible carbon investing. For more information, visit basecarbon.com.

David Greely (01m 05s):
Welcome back to Catching Up On Climate On SmarterMarkets. I'm Dave Greely, Chief Economist at Abaxx Technologies. Our guests today are Dave Ernsberger and Mark Eramo, Co-Presidents of S&P Global Commodity Insights and Members of S&P Global's Executive Leadership Team. We will be catching up on the state of US policy and the global discussion on energy, climate, and sustainability after New York City Climate Week and talking about where we are going next. Hello Dave and Mark, welcome to SmarterMarkets.

Dave Ernsberger (01m 38s):
Great to be here.

Mark Eramo (01m 40s):
Greetings.

David Greely (01m 40s):
Well it's great to have both of you here. At S&P Global Commodity Insights, you both lead a global team that delivers comprehensive market data and essential market intelligence and insights that make us all a little smarter, and I have been looking forward to being able to catch up with the two of you. Last week of course was New York Climate Week and Dave, I thought we could start off with your take on the state of the conversation coming out of New York Climate Week.

Dave Ernsberger (02m 06s):
Thank you very much and it's such a pleasure to be here and to share some thoughts and discussion with you and the listeners as well. This is a great time as we are recording to reflect on what Climate Week showed us all about the state of the discussion globally around investment and progress in building an economy where there's a role for decarbonization and there is a role for greater efficiency. And you know, one of the maybe most important things about Climate Week that certainly struck the attendees that were there, including some of our own delegates, was that the event was actually well attended. There was a question going in as to whether climate week in the United States would be something of a quieter event, lower key event, but according to various estimates there were at least a thousand registered sort of official events. There were more than a hundred thousand people who attended.

Dave Ernsberger (02m 55s):
So there was plenty of interest in what was going on. Plenty of events and plenty of conversation. The key messages coming outta Climate Week won't really surprise anybody in 2025, but it's worth pausing and thinking about what they are. There are really three major themes you know, firstly that the investment scape the landscape around driving the conversation around climate is turning towards capital discipline and return on investment and maybe a little bit away from government support and policy. Number two, opportunities to improve efficiency and therefore saving dollars and saving emissions are really the centerpiece of all of that and you will hear a lot of people talk about this, but the energy industry in particular is not new to the concept of sustainability and sustainable development. You know, sustainable development and particularly efficiency has been at the heart of what energy's been doing for several hundred years now and then the third one is a little more prosaic but worth calling out an explosion of conversations of proliferation, of initiatives around setting some standards for carbon accounting. Now that doesn't get everybody excited, but it gets us excited.

David Greely (04m 02s):
That's fantastic. And I know the streets of New York were definitely packed and I sense the same thing. I felt like there was much more of a practical business-like attitude towards climate and carbon that I detected in some prior years. I am curious if that's also the sense you got, it was a little bit more mainstream. How do we approach this from a business perspective?

Dave Ernsberger (04m 25s):
I think that's right and if anything, some of the, maybe the bubble effect of what we felt would be the IRA and government backed investment in the United States, which got everybody very frothy and excited by the way has been a little bit replaced by that kind of common sense conversation. Maybe slightly more grounded conversation, maybe even less exciting conversation, but perhaps more actionable in the end around how do you invest in energy expansion in particular new energy, new requirements in a way that is actually aligned with more efficiency and ultimately a greater financial return. So I think to your point Dave, what was interesting was there was an opportunity for folks to turn their backs on this conversation, but clearly there's still profit to be made

David Greely (05m 10s):
And of course one of the reasons why people weren't so sure if climate Week would be well intended of course is the strong change in US policy under President Trump. President Trump addressed the UN General Assembly during climate week and I was curious how, how was his address to the UN General Assembly received and how important is US climate policy to that overall global discussion today? Dave?

Dave Ernsberger (05m 36s):
I think it's worth putting President Trump's commentary at the UN into context and the context I would call out is that firstly investors and the market and even folks who take a more of a social view on climate change, ultimately welcome policy clarity and however you think about the tone and the nature and the delivery of President Trump's address to the UN, it certainly brought a lot of clarity around what the US administration's policy will be towards these kinds of questions. So the clarity is welcome and there was a certain amount of show biz how was delivered and that's what people pay to see I suppose and the second thing I will say in terms of context setting is there's a global conversation going on around investment in sustainable economics energy that is decarbonized again in that expansion space that we were talking about earlier, which carries on not only I would say despite changes in US policy, but almost because of them. And that's worth talking about on this show as well actually how the rest of the world pivots around some of those delivery points. But I would say the US was very clear around the same sort of time that President Trump was addressing the un the Department of Energy also announced that it was spending I think $13 billion of investment projects in certain parts of the United States. And so words and actions were fully aligned.

David Greely (06m 59s):
And Mark, I would like to bring you into the conversation and dig a little bit more into some of the clarity that's been achieved around US policy. At S&P Global Commodities, you have written about President Trump's approach as putting an emphasis on energy dominance and I wanted to ask you, what do you mean by energy dominance and how does looking at his policies in that way help us understand them a little better?

Mark Eramo (07m 23s):
Thanks David and to be clear energy dominance is a, is a term that's coming out of the, the US administration and I will leave it to them to define how they put a definition to that phrase. What we saw clearly from the US administration, especially back in spring as they

were just coming into the office at Sera week in Houston where they had a platform to talk to people all over the world, the policy was around bringing all forms of energy that the market will support and tying in the more pragmatic approach to investments, not pick and choosing winners, but let the market and technology define which projects and which forms of energy will advance at the fastest pace. It was really, let's bring all forms of energy to the table, whether it be hydrocarbons, certainly renewables that make sense, where they make sense and how they make sense.

Mark Eramo (08m 16s):
Lots of conversation about nuclear biomass. So it really was a discussion around portfolio and I would say there is an emphasis coming out of the administration on natural gas and to the extent that the US can be continue to be a major player from a natural gas perspective and so that's, that's how I would look at it is rather than try to pick and choose winners and losers, let's let the market determine and move forward with projects that are approached pragmatically, provide a return to the shareholders, to the stakeholders, and then bring energy that can support the marketplace. I will just put in an added dynamic to that. You know, that was a conversation that took place in Houston in March of this year. I had mentioned to you, I am sitting here in Cape Town at Africa Energy Week and listening to conversations between both US government officials or US represented companies and countries and policy makers in Africa who are having the same kinds of conversation about a pragmatic approach.

Mark Eramo (09m 21s):
But certainly as you sit here in Africa and look at the opportunity that they have to drive projects in their hydrocarbon base, there's a lot of emphasis there from the angle of a profitable and successful hydrocarbon development can bring and can help to fund renewables at the same time. So there is this balance, and again not picking and choosing but a sense bringing forward a, a pragmatic approach to the investments and letting the capital flow. Dave St Berg's point, which was where there is clarity of policy both from government and whether it be local or national and where there is opportunity to get the financing and where you can see a return. That's where the capital is flowing right now and lots of discussions about how you continue to open that up and a lot of support from US-based companies here in Africa.

David Greely (10m 13s):
I think it's really interesting to, to think about the US in that global context. Mark I think we come to look to see governments like what program, what policy are they going to use to support energy or climate policy is in their own nations. If we see the Trump administration, it sounds like they are kind of stepping back from that if they're just gonna let kind of the market win out. Is that true or are they, I am just trying to get my head around what should we look for in terms of programs or policies and what should we expect to happen to existing programs such as the ones created under the inflation reduction act?

Mark Eramo (10m 51s):
Well clearly there is the impact on the inflation reduction act, but as I go back and think about the messages that were being delivered by Secretary Wright and Secretary Bergham at zero week, it was about how do you provide policies for example on the permitting process, the ability to bring the projects forward and not get tied up and take too long a period of time in order to get steel going in the ground. So I think those are the kind of things to look for to try to, how can they support the process of energy development as opposed to have long extended periods to where markets are subject to volatility and therefore adding more risk to the projects themselves. So again, it just comes back to clarity around what can those who are looking to invest in this sector expect and therefore how do they manage their risk associated with these fairly sizable and massive investments.

David Greely (11m 47s):
And how do you think people are feeling about these investments? How risky do you think they are being perceived right now and is there a a strong attitude in the private sector to move forward a lot of these projects.

Mark Eramo (12m 00s):
As I think about the projects that are advancing discussions underway, the things that we are tracking the normal amount of, or I say normal amount of risk associated with these markets and their volatility are there, it's again, it's all about providing clarity in terms of what you can expect going forward. LNG export terminals are now, if you will, back on the map, there's probably more across the US than will actually get done. But you know, there was the moratorium and now we are back open for business in terms of the companies that want to come and compete for the capital in terms of LNG exports from a US perspective, pipeline projects, you know, trying to connect north to south or whatever it might be. Again, there's been a bit of a pause on that but now those may actually open back up and so again, it's just that clarity that allows the capital to flow.

David Greely (12m 53s):
And Dave, I would like to turn back to what's happening outside the United States with you and I'm curious what developments are you following and what countries do you think are worth watching most closely?

Dave Ernsberger (13m 05s):
There are two countries and one group of countries that I am going to offer you here on the show today that are very, very much front of mind for me and that I would recommend listeners pay close attention to. I suppose the countries won't be a surprise, but I will tell you why I call them out in a second. So country-wise, China is making unbelievable strides in building out a new energy economy. And if you think you are paying enough attention to it already, you are probably not. India is determined to build a green hydrogen economy so that it can flood the world with competitively priced hydrogen, which is in its very earliest days of development. But there is a lot of muscle coming together behind that between the public and private sectors that make it fascinating and thirdly, I would call out the GCC nations in the Middle East.

Dave Ernsberger (14m 02s):
I am joining you from the UAE today. So I am sort of sitting in a front seat watching this happen where there's a very interesting conversation going on regarding how to put in place the infrastructure to support an AI data center boom, which the region would like to host, particularly perhaps Saudi Arabia and the United Arab Emirates and how they do that without cutting off their exports of oil, which are really important for their economic development. So renewable power is actually a very common sense solution there. So we could dig a little deeper perhaps into some of the motivations behind those three areas of exponential development going on. But those are very, very dynamic areas where the pace of investing and expansion in this era of energy edition is only really getting faster.

David Greely (14m 53s):
And Dave, one of the themes that we have followed over the past year or more is that different countries motivations for moving ahead on new sources of energy, renewable energy is really driven by their local situations. So in the United States, because we have such a large endowment of oil and natural gas, often climate policies are seen as restrictive whereas in countries like India and China, it's a way to overcome deficiencies, get better energy security as they are more oil and gas poor. I was curious, when you are looking around the world and at China and India, how much do you see those types of concerns shaping the way they are investing in energy and the way they're investing in more sustainable energy forms?

Dave Ernsberger (15m 42s):
David, those kinds of concerns are absolutely at the heart of why the three areas I pointed out China, the Middle East India are all aggressively pursuing energy expansion strategies that have renewable energy at their heart in most cases and are a big part of their future if we just take them in turn real briefly to sort of talk about why China is the absolute classic paradigm of wanting to pursue an intensive self-sufficiency. I often tell people that China and the US are not really so different actually that drive to be in energy independent energy free is as close to the hearts of the Chinese population and policymakers as it is anybody in the us. However, the pathway for China is profound electrification, the rapid deployment of an electric vehicle fleet into the auto force. The things that we have seen happening there by the way, not necessarily a slam dunk for climate because a lot of that electricity is coal fired and I am sure you have talked about that on previous shows.

Dave Ernsberger (16m 40s):
But electrification which is a pathway to cleaner energy in the end is being driven by being paired up with another policy concern. In this case self-sufficiency. The Middle East and India also show how when you marry a strategic imperative alongside a drive towards sustainable economic development, it's got double the chance of being successful. If you look at India, actually what they're trying to do in India is yes, okay be a little more energy independent but actually spending time with the Indian government. Just in the last couple of weeks the Indian Energy Minister Party sing Prairie, the conversation in India is actually about building an export economy. So India is pouring a significant amount of public private rupees in this case into building out infrastructure for hydrogen of all colors but with a special emphasis on green hydrogen with an ambition actually not so much of supplying local demand with hydrogen but actually building an export machine that will flood the global markets with attractively priced green hydrogen.

Dave Ernsberger (17m 40s):
And that's actually a trade balance question. It's a role in the world question for India and they have had great success there. When we were in India just a couple weeks ago, we learned that the marginal price of green hydrogen had dropped from about 550 per kilogram to 450 a kilogram. That's a significant sort of 15 ish percent drop in just two years and they are pushing for greater returns there too.

The Middle East is probably the most fascinating of all the Middle East is the hydrocarbon wealthy Saudi Arabia is literally the Saudi Arabia of the oil market and yet the push there is to build solar and renewable power to underpin what they hope will be a huge competitive opportunity to diversify the domestic economies into AI and data centers and to not sacrifice oil and gas exports along the way. Energy and electricity demand in the Middle East will probably double over the next 30 years or so. Currently 70% of the electricity here is produced using natural gas that wouldn't work in that sort of climate. They're talking about building into. So each of those areas has their own policy objective that sits alongside a sustainable economic development and it's supercharging the outcome.

David Greely (18m 46s):
I feel like the AI and the data centers raise such an important point that we are not going to slow down our energy use. A few years ago there was the conversation around, well we are just going to have to use less energy and certainly in the developed world, AI and data centers really seem to have pointed out that if there is an opportunity to use more, we will use more. Is that even part of the conversation using less energy these days. And then I also wanted to turn back to Mark, given you are in Africa right now for countries that are in the process of developing more, how are they looking at being able to grow their own energy supplies at an affordable rate going forward?

Dave Ernsberger (19m 31s):
I would be happy to take the first part of that question David and throw it to Mark for closing out with a view on what's happening in Africa, the conversation in the existing energy infrastructure, it's all about extending a centuries long tradition of running operations more efficiently. You know there's a very fascinating discussion around creating digital twins or systems running agentic algorithms around outcomes to do predictive maintenance work. So you get your pipelines don't break down and to reduce emissions so you don't lose actually energy in your production chain. That's ultimately, believe it or not all about reducing energy consumption because you can make great energy consumption savings by running those kinds of operations more efficiently and then exporting that knowhow to other industries. So absolutely using less energy is part of the discussion and an important part of the discussion. But maybe in a different way to how listeners might be thinking about it. It's less about running your air conditioning at 20 degrees Celsius and more about running your significant heavy industry better but inevitably pushes towards investing in better climate outcomes are much, much more successful when it's a yes and conversation. Yes we need the energy we have today and we need more as opposed to an either or conversation where we talk about shutting down some things and building up others in their place in a world where to your point we just need more energy.

David Greely (20m 52s):
And I'd love to turn to you Mark, what's the state of the conversation in Africa on this?

Mark Eramo (20m 57s):
If I can just divert back to the previous conversation for a second. Just a slightly different perspective from again because I have been involved in downstream industries for all of my career refining chemicals and from the very beginning of my career with a background in chemical engineering. What the engineers who design these facilities do is they make a living by making them more productive in the best way to become more productive is improve the energy efficiency of these assets and that has been a trend that's been underway and will continue to happen in these capital intensive industries is how can we be more efficient, use the same amount of energy to produce more right or less energy to produce the same however you want to run the calculation but improve energy efficiency has been a hallmark of these industry and I think will continue to be, and whether you are looking at automobile fuel efficiencies or the energy consumption of these different, like I said, capital intensive assets.

Mark Eramo (21m 52s):
The other thing I found interesting was, well I agree with you that I have had plenty of conversations where climate policy is viewed as restrictive and a country like the United States that is endowed with plenty of energy. It's also, I believe this is the case at the same time that it's because we have very secure and very affordable energy that we can branch out and start investing in doing research and development on alternative forms of energy in different ways to bring new forms of energy to the marketplace because we have a sound base of a hydrocarbon security and very affordable business that can fund the rest of that operation, if you will. And so I point to projects that I have seen where using the chemical in as an example, replacing natural gas with hydrogen and steam cracking is a pretty expensive endeavor, can be an expensive endeavor, but we can afford to do that and look at those things or complete electrification of cracking furnaces.

Mark Eramo (22m 49s):
We can afford to look at that and see whether or not those could be successful because there's this space of low cost energy. So wanted to return it that for just a second. But the conversation here in Africa is very, very clear to, to me in terms of what I have heard so far. And while there are renewable projects because they make good sense and again the capital is flowing to projects that have clarity and where return can be gained and energy can be brought to, you know, remote parts of the countries where right now there is not the infrastructure to get hydrocarbon energy to these places. Renewables is being invested in, there is wind and there is solar happening across Africa. But clearly what's dominating the conversation is what's happening either onshore or offshore in terms of bringing oil and gas and critical minerals by the way to the marketplace in a way that begins to enable the economic and development of the countries who are looking to attract that capital.

Mark Eramo (23m 49s):
Try to again begin to create jobs and all the economic benefit that comes as infrastructure flows in and as energy becomes be developed and you start to build downstream facilities. So not just means by which you can deliver energy either internationally or to your domestic space, but what else do you do with those forms of energy to create fuels and feed stocks and other products that now you can begin to build downstream industries to basically supply the needs of a billion plus people who are projected to grow to 2 billion, you know, sometime before 2050. So that's the conversation that's taking place in Africa. And I will add David, there is clearly a discussion that says we the nations of Africa have the right to pursue a hydrocarbon based energy development program before we even begin to talk about decarbonization of assets and I think the reality is, is at that time, at this time when Africa is starting to be at a pivot point, if they truly are at a pivot point, and that's the discussion that's underway out here, is Africa truly at a pivot point, will capital will begin to flow and energy development will begin to take place at scale to where you can start to see a real rise in the economic development here that they have the right to do that before they get on to quote decarbonization.

Mark Eramo (25m 09s):
But once they arrive at that point, if you think about AI in the current technology by which they would be entering these marketplaces, in other words they are leapfrogging at an age of technology. It's not like it's 10 years ago or 20 years ago coming back to the energy efficiencies, they are looking to bring in technology and to employ assets that are now highly efficient compared to what they were had they been doing this 10 to 20 years ago. You know, so there's a benefit in that as well as far as being late to the game. If you want to think about it that way.

David Greely (25m 39s):
As we are having this conversation, you bringing up critical minerals and India stepping forward and looking to become an exporter in the US moving into new forms like hydrogen takes me as often does back to Dan Yergin and the new energy map. And I was just kind of wanted to ask the two of you, it, it feels like the way we think about the world and who is producing what and who's consuming what is really in the process of changing in a fundamental way. And I was wondering how do you think about that and how do you try to keep track of all of it?

Dave Ernsberger (26m 13s):
Well I was just listening back to that show earlier this week actually, David, it was September, 2023 when you had our Vice Chairman of S&P Global on Dan Yergin and he was talking about comments that were being made around the different schedules, the different timelines of the multiple energy transitions going on in the world. And if you fast forward to where we are today recording this with you, well that has certainly proven out to be true over 24 months of further development of policy in the climate space, economics and investment. So the challenge really does become, how does one keep on top of it all because there is no one pathway and none of these pathways are straight lines. They have got different motivations, they have different interplay going on. So I am tempted to say AI is a great solution. You know, ask your favorite chat AI bot, we have a few at S&P, I am sure others do as well, other AI are available.

Dave Ernsberger (27m 12s):
But genuinely speaking, it's important to go deep on a multipolar scenario where actually there are very different mechanisms in play and different models that are actually very well progressed by now that are gonna have different outcomes. And it is a case of spending the time however everyone chooses to do it, to do the research because just like when the modern energy industry was being founded in the 1890s, tomorrow's energy industry is being founded in the 2020s and nobody knows what the ultimate outcome is going to look like in the big picture, but it's going to be probably one of the iterations being formulated right now in one of the countries we have been talking about or maybe a different one. And we didn't talk about the European Union. That's all that's worth a whole episode on its own, quite frankly.

David Greely (27m 56s):
Absolutely. I love that analogy of it's like going back to the 18 hundreds and now we are forming the next leg of the energy industry and of course every one of those transitions leads to new giants. In terms of the companies that dominate the scene, we've talked a lot about the countries, but Mark, I kind of wanted to turn to you and ask how are you thinking about how companies are approaching these issues right now, the issues of energy and climate and is there a common theme you are seeing amongst companies now?

Mark Eramo (28m 26s):
I am going to slant my comments towards, I will call it the downstream industries of refining, I will say refining eggs and chemicals in terms of because I want to relate it to the changes that you talked about that are now starting to occur, whether they be geopolitical or macroeconomic and I think that the way companies are thinking about a lot of these commodity markets is what is the role of China and how will China's role either change or modify as we look to the next 20 years and from my perspective, there was a real pivot point. If you think back to 2000 through 2020, the amount of investment that went into China, they talked about roads and infrastructure going to nowhere, but it was phenomenal in the way they build up a downstream processing industry that ultimately was feeding the manufacturing floor for the world was mind-boggling by any lens that you wanted to look at it.

Mark Eramo (29m 21s):
Both the capital that went in the scale that they reached with these assets, the speed with which they built these industries was again, nothing short of phenomenal. And it's gotten to a point where post pandemic, where you have international trade relationships changing and a lot of industries have to now pivot and say to themselves a model of build low cost and export to high demand centers like China. Maybe that takes on a little bit different profile and thinking as you go forward, especially as China becomes more self-sufficient and a lot of these materials. So all of these investments that were going in, starting with competitive energy and making downstream products and China having this huge consumption sink being a net importer, as they become more self-sufficient in certain chains, it's causing a pivot. It's causing me to rethink whether it was plastics or whether it's refined products.

Mark Eramo (30m 16s):
I am having to have a little bit different view what that's gonna mean going forward. So now I have to couple that with, again, what's happening on the energy front in terms of being competitive. How do I need to make sure that I am managing my carbon profile? because I would say most of the downstream processing companies are in fact looking to manage a carbon profile and trying to understand where am I going to invest and what technologies am I going to invest in in order to make sure that I can develop ultimately a low carbon product. Because I believe that low carbon products will become a market in and of themselves at some point in the future when that conversation becomes more at the forefront. And maybe it has been with the recent pivots that have been going on. So I think the trade dynamics changing, I have to think about that.

Mark Eramo (31m 04s):
I have to look at where energy developments are happening, as Dave mentioned, where is India going in terms of possibly in an export exporter instead of a massive net importer. Same thing with China as they become more efficient. And then where is Africa gonna play in all of this if in fact the capital can flow and you can start to see developments at scale in Africa. So it really is a bit of a shift right now in terms of the world rebalancing itself in how you might think about from 2020, you know, to 2040 versus 2020 looking backwards at 2000.

David Greely (31m 38s):
I love the way you put that rebalancing itself because I hear the phrase multipolar coming up more and more in conversations recently, and I just know looking at what's happening in China, I feel like people who have the mindset of 10, 20 years ago really need to realize just how capable, how innovative, how commercially oriented the companies in China are right now and I think a lot of folks in the US don't realize that. And I wanted to ask you just how do you think that competitive landscape of companies in China sounds like India is not far behind the rest of the world being a more competitive place with their own centers of innovation, their own large scale investments in productive capacity. How does a multipolar world that's rebalanced away from say US dominance look for companies?

Dave Ernsberger (32m 35s):
Competition is always good, and the US made some of its strongest advances during the Cold War in the late seventies, early eighties when it turned, its actually its energy industry through a whole 180 degrees around certain questions. When they realized, when the administration then realized that A, there was a crisis in the Middle East around oil supplies, and B, the Cold War meant that it couldn't afford to fall far behind. And C, there were different models in development for how to accelerate and from a company's perspective,

how do we accelerate success? So I mean, look, it wasn't just Cold War nations that were contesting the economy with non-Cold War nations. There was also a contest between Japan and the United States at that time, right? Which some of us rolled rough to remember. So competition is a good thing and I am not suggesting that maybe that things fell behind over the more unipolar years, let's call it 1998 to maybe 2008, fix some dates that resonate, but don't make a ton of, maybe not a ton of sense to everybody, but there was a time there where the US didn't quite have the same competition that it has now.

Dave Ernsberger (33m 39s):
And I think that the US and US companies and companies that are engaged in trying to be profitable will go twice as fast and be three times more successful because of exactly what you're talking about. Many of the solutions coming outta China are hyper competitive. An electric vehicle from China costs one third or less of the price of electric vehicle in the United States. That's a riddle. That's an opportunity for some entrepreneur, somewhere to unravel.

David Greely (34m 04s):
That's great. Thanks for letting me throw some big questions at you. I wanted to thank you both for sharing your insights with us today. But before I go, I wanted to ask you both the same question, which is how do you see the conversation and the action on energy climate and sustainability developing over the next few years? Maybe we could start with you, Mark.

Mark Eramo (34m 27s):
Sure, happy to, as administrations in the US changed, one of the narratives that I started hearing is anything relative to climate. You know, is it dead right? Is it dead on arrival? And then you start traveling around and you start talking to companies both in the United States or you travel to the Middle East, you travel to Asia, Latin America. Here I am in Africa. And the simple response is, it's not that these companies who are in these industries, while they are certainly gonna take and they have to take a more pragmatic approach to what I will say quote, the policy makers were taking in terms of how fast we could reach certain goals when it came to carbon intensities and emissions in general, methane or carbon. From that perspective, it hasn't died at these companies. They know that they have to advance along these lines. They know that they have to look at the projects, what that will most effectively and efficiently get them to a lower carbon future in terms of the products that they make.

Mark Eramo (35m 27s):
And again, I see that across the landscape and yeah, you see people being cautious with the language they use or the words that they use, but you sit down and talk to them in their offices. This goal of trying to manage carbon manage emissions, increase energy efficiency as well. I mean all these things fit together under the sustainability umbrella. I got into the industry in 1985 with an operating company and we were talking sustainability then about leaving the environment as good or better then. And it's the same conversation that's happening today. So I, for one, I am optimistic, the companies have not dropped the narrative. It's there, it's alive. They're savvy about the geopolitics of the time, but they are moving forward with their own plans in the investments that they have to do.

Dave Ernsberger (36m 12s):
Yeah, and the way that I think of that, David, is that there will be a huge shift in the balance of questions and answers as I think of it. So in the past five years since the pandemic, the world has looked to the United States and the EU for answers on all of those questions that you outlined. And there was an expectation really that answers would come from the United States first, the EU second, and perhaps North Asia third. I think that in the coming five years, that's going to be turned very much on its head and listening skills will become very important because the questions will be coming from North America, lead, European Union in North Asia, and the answers are coming from some very surprising places, some of which we have talked about today.

David Greely (37m 04s):
Thanks again to Dave Ernsberger and Mark Eramo, Co-Presidents of S&P Global Commodity Insights and Members of S&P Global's Executive Leadership Team. We hope you enjoyed the episode. This concludes our series, Catching Up On Climate. We will be back next week with a special podcast episode of scenes from IETA's North America Climate Summit 2025, a compilation of conversations from New York City Climate Week. We hope you will join us.

Announcer (37m 31s):
This episode is presented by Base Carbon, a financier of projects involved primarily in the global voluntary carbon markets. Base Carbon endeavors to be the preferred carbon project partner in providing capital and management resources to carbon removal and abatement projects globally, and where appropriate will utilize technologies within the evolving environmental industries to enhance

efficiencies, commercial credibility, and trading transparency. For more information, visit basecarbon.com. Base Carbon, sensible carbon investing.

That concludes this week's episode of SmarterMarkets by Abaxx. For episode transcripts and additional episode information, including research, editorial and video content, please visit smartermarkets.media. Please help more people discover the podcast by leaving a review on Apple Podcast, Spotify, YouTube, or your favorite podcast platform. SmarterMarkets is presented for informational and entertainment purposes only. The information presented on SmarterMarkets should not be construed as investment advice. Always consult a licensed investment professional before making investment decisions. The views and opinions expressed on SmarterMarkets are those of the participants and do not necessarily reflect those of the show's hosts or producer. SmarterMarkets, its hosts, guests, employees, and producer, Abaxx Technologies, shall not be held liable for losses resulting from investment decisions based on informational viewpoints presented on SmarterMarkets. Thank you for listening and please join us again next week.