

# [Sample essay on small business clean energy financing act of 2013](https://assignbuster.com/sample-essay-on-small-business-clean-energy-financing-act-of-2013/)

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\n[toc title="Table of Contents"]\n

\n \t

1. [Introduction](#introduction) \n \t
2. [Poor government funding](#poor-government-funding) \n \t
3. [Solution](#solution) \n \t
4. [Focusing on small businesses](#focusing-on-small-businesses) \n \t
5. [Encouraging more businesses](#encouraging-more-businesses) \n \t
6. [On the contrary](#on-the-contrary) \n \t
7. [Conclusion](#conclusion) \n \t
8. [Work Cited](#work-cited) \n

\n[/toc]\n \n

## Introduction

The efforts to conserve our environment ensure a safe habitat for both the current and especially the future generation and controlling pollution in the energy sector is a crucial exercise. The role of clean energy technology available in the market is a positive step in giving the opportunity to more people to participate in protecting the environment from harm by avoiding pollutants with extensive damage. However, facing stiff competition from traditional energy producers, the clean energy industry stands a slim chance of succeeding in its revolutionary plans. The government policies that entail requirements for production of more energy from clean sources, influences investors to fund development of their industries. (Gallagher and Kelly, 3) This paper seeks to establish the relevance of the opportunities that the government, through the administrator of the Small Business Administration, offers to clean energy industries to improve the sector.

## Poor government funding

The inability of the clean-energy industries to compete effectively with other energy producers has led to its decline and stunted growth in the past few years. A decline in government funding as stipulated in the Small Business Clean Energy Financing Act of 2013 is a reason for the industry's decline in growth rate. According to victor and Gallagher and Kelly, 20% is the highest the United States government has invested in the sector. With restrained government funding, many western countries have experienced a drop in their clean-energy industries. (Hou, Michael, Xie, and Were, 13). This dependence on government funding enables the innovative ideas and advanced technologies to acquire the equipment necessary for efficient energy production.   
Another obstacle facing the clean-energy industry is the inadequate commercialization of the products. This commercialization required complex government policies and funding that will boost the industry as well as sustain competition in the market. The costly procedure requires fails to get both public and private funding once they establish that it is based on a risky (and unreliable) innovative idea. For instance, deriving biofuels from food crops or wind farms failed to get consistent government and investors support because it was a new idea that was not tested. On the other hand, solar energy and corn-derived ethanol projects enjoy government and private investor funding.   
Avoiding to support new ideas will negatively affect the progress of preserving the environment with dire consequences. The new innovative ideas, as risky as they are, may produce the desired results if given the opportunity to experiment publicly.

## Solution

The Small Business Clean Energy Financing Act of 2013 focuses its efforts in establishing a loan guarantee program to aid the small businesses in America that strive to manufacture clean energy. (McNerney, Gerald and Cheek, 8). The fund is meant for research and supply of equipment necessary for the development and production of acceptable less destructive sources of energy.

## Focusing on small businesses

The financing program is designed to serve small businesses rather than huge companies in their low expense programs. Focusing on small businesses providing an opportunity to innovative ideas of less destructive methods to produce energy to be manifest. (Grossman and Peter, 3). By providing the opportunity new creative ideas, the government achieves in influencing the public to participate in conserving the environment.

## Encouraging more businesses

The loan guarantee program encourages members of the public with innovative ideas especially in producing safe and renewable energy to apply for funding. These people may have an effect on a small scale. However, the overall impact of their contribution will influence other to join in the preservation campaign.

## On the contrary

The policy's directive to provide loans to small businesses is an idea with uncertain results. The results expected are also long-term. This long-term plan is inappropriate considering the urgency in minimizing environment degradation and global warming.

## Conclusion

The government initiative to preserve the environment by delegating the crucial duty to (and financing) the public is a vital step in protecting the Earth as our habitat. However, the current policies are not sufficient enough to sustain the innovative clean-energy projects. To date, the projects have failed to withstand competition from traditional destructive energy source industries. The governments (both in U. S and all over the world) need new strategies especially in current times when they strive to reduce the contents of their budgets.

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(Grossman and Peter, 3)