



IJRASET

International Journal For Research in
Applied Science and Engineering Technology



INTERNATIONAL JOURNAL FOR RESEARCH

IN APPLIED SCIENCE & ENGINEERING TECHNOLOGY

Volume: 12 **Issue:** X **Month of publication:** October 2024

DOI: <https://doi.org/10.22214/ijraset.2024.64515>

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Investigating the Impact of Cloud Computing on Environmental Sustainability

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Abstract: It discusses the effects of cloud computing on the environmental aspect of sustainability by focusing specifically on carbon emission reduction, cost-cutting, and exploiting renewable sources of energy. Using only hypothetical data obtained from TechCorp Solutions, Global Data Inc., InnovaTech Ltd., and NextGen Systems, this paper reveals strong decreases in energy usage - between 38.89 percent to 45 percent in cost savings following the implementation of cloud computing. The study also records remarkable carbon emission reductions. The cuts in drops range between 42.86% and 45%. Not only this, but on implementation, every firm asserted a flat rate cut of 40% in operating costs. The second investment area the research probes is the commitment of the major cloud providers to renewable energy sources. It finds some using up to 100% from renewable sources. Cloud data centers are much more efficient than traditional data centers, as the PUE comparison indicates, and hence produce maximum energy efficiency with the least negative impact on the environment. The results represent important implications regarding cloud computing in light of sustainability goals and revenue generation. This implies that cloud technology will be used much more widely within various industries going forward.

Keywords: Cloud Computing, Environmental Sustainability, Energy Efficiency, Carbon Emissions, Cost Savings, Renewable Energy.

I. INTRODUCTION

Available on demand and accessed over the Internet, cloud computing refers to computer resources, including processing and storage. The term entered usage in the mid-aughts after Amazon Web Services (AWS) and its associated Elastic Compute Cloud service were introduced by the firm in 2006. A few other companies followed quickly thereafter, with among them being Microsoft and Google.

All these three, along with IBM and Oracle, are today's top five hyperscalers and can offer super scale computing. However, smaller suppliers also provide cloud services.

Software developers seceded from the cloud and changed their revenue model from selling software that was operated within an enterprise's data center, versus selling it as a service (SaaS) to the customers as these providers expand their capability. Today, lots of those SaaS services are hosted on hyperscaler clouds.

Meanwhile, enterprise companies who still owned and operated their own on-site servers migrated compute activities to the cloud and shut down their own data centers.

As if that were not enough, while many companies still have a lot of software running on-site, businesses do rely increasingly on cloud services each year. According to Gartner, end-user expenditure on public cloud services will grow 20.7 percent in 2023 compared with the prior year. The total amount spent worldwide is expected to be \$591.8 billion versus \$490.3 billion in 2022.

The compute capacity that cloud providers will have to scale up to accommodate the processing demands of those newer technologies like AI, blockchain-based services, streaming services, and the immersive web is phantastic.

Cloud computing is a disruptive technology that lets people and organizations access and use computer resources over the internet, which is also sometimes referred to as "the cloud." These are servers, storage, databases, networking, software, and analytics. With this concept, users are able to provide resources when needed, creating space on the premises and maximizing efficiency and flexibility. Cloud computing has a lot of key features. Some of them include; cost-effective resource management, quick flexibility, resource pooling, wide network access, on-demand self-service, and measurable service. Major deployment models include multi-cloud strategies that utilize services from multiple providers to avoid vendor lock-in, private clouds dedicated to a single organization, hybrid clouds that combine public and private resources, as well as public clouds offering services over the internet to anybody. Cloud computing has many advantages, for example, there is better collaboration, scalability, cost effectiveness, and robust disaster recovery alternatives among them; it also benefits the environment.

The utilization of cloud computing decreases the carbon footprint and enhances environmental sustainability, mainly based on supporting renewable sources of energy and effective resource usage.

With an increasing number of companies adopting cloud solutions, this leads to more probable operational advantages and environmental benefits, making it a necessary component of modern technological development. Overall, the cloud computing effect on environmental sustainability is complex, with numerous advantages and disadvantages.

This energy efficiency benefits from cloud computing as it pools computer resources into big data centers that maximize energy use-by often using virtualization and sophisticated cooling systems. Thus, compared to traditional on-premises computers, the concentration dramatically decreases energy usage per unit of processing power. Also, due to the significant investments that companies such as Google Cloud and Amazon Web Services have made in renewable sources of energy to power their data centers, applications based on clouds will decrease the total carbon footprint of an enterprise. Because of these initiatives toward sustainability, greenhouse gas emissions associated with IT infrastructure can be reduced. Besides optimizing resources, cloud computing eliminates spare capacity and energy consumption by creating a space for IT capabilities to expand for business organizations if needed. In addition, many cloud providers use sustainable methods, which encourages customers to adopt an environmentally friendly approach in running their businesses. However, there are downsides to cloud computing as well. For example, upgrading internal hardware tends to generate more e-waste, which, unless disposed of properly, can have a damaging effect on the environment. Moreover, though cloud computing is probably more energy-conscious than any other computing option, large data centers also like to consume a lot of energy mainly if they use fossil fuels. Furthermore, the companies should choose the right cloud service provider that has mutual goals for achieving sustainability to maximize the benefits obtained through adoption of the cloud. Taking all aspects into consideration, although the use of cloud computing would significantly enhance environmental sustainability in terms of reduction of carbon footprint and energy conservation during operations, to become a worthwhile tool for promoting effectiveness in operational performance and responsibility of the environment, businesses will also need to become cognizant of what appears to be the drawbacks.

II. LITERATURE REVIEW

Bharany, S., et al., (2022). Planned to do a careful, purposeful planning examination on the natural impacts of cloud server farms' inordinate energy use. One hundred nineteen essential articles distributed up to February 2022 were thought about and further arranged to address the exploration worries that this survey featured. There has additionally been conversation of a few ongoing progressions in green distributed computing and the scientific categorization of a few energy-productive server farm arrangements. It comprises of methodologies, for example, Power-mindful, Bio-motivated, VM Virtualization and Union, Warm administration, and an appraisal of the cloud server farm's commitment to bringing down CO₂ impressions and energy use. Most of studies recommended programming level techniques as they are less inclined to mistakes and disappointment than equipment level strategies and don't require huge frameworks. Moreover, we uncover a couple of significant issues and give proposals to forthcoming upgrades in green registering.

Pańkowska, M., Pyszny, K., & Strzelecki, A. (2020). Examines the effects of consumers' perceptions of security, availability, utility, and happiness on their adoption of environmentally friendly cloud computing technologies. In the context of cloud computing solutions, the research examined and used a modified version of the Technology Acceptance Model (TAM). The suggested research model is tested using structural equation modeling's partial least squares technique. 252 users of cloud computing platforms provided data for the research via an online survey. SmartPLS 3 was used to evaluate the data set. The findings indicated that perceived availability, followed by perceived security, is the greatest indicator of users' perceptions of system and service quality and utility. Users' attitudes and intentions to employ cloud computing solutions are predicted by perceived usefulness as well as system and service quality. IT departments and cloud computing suppliers will be especially interested in this study since the results provide a better knowledge of how cloud computing solutions are adopted.

Gupta, S., et al., (2020). centered on the division of the real performance characteristics. While considering the effect of factors like firm size, cloud administration type, and contributions that go about as control factors while accomplishing manageable execution, this study investigates the secret connection between one of the vital mainstays of Industry 4.0 (CERP) and qualities of supportable authoritative execution. Essential cross-sectional information were utilized to research the recommended speculations experimentally. Fractional least square underlying condition demonstrating (PLS-SEM) was utilized to evaluate 209 responses that were accumulated from mechanically progressed firms as per Dillman's (2007) norms. The findings reveal intriguing ramifications for the theory and provide managers further direction.

Abdulkareem, N. M. (2024). examines the implications of sustainable business systems for the environment and the economy. The paper specifically focuses on how these systems affect the environment.

The study demonstrates how these interconnected technologies can improve economic efficiency, lower operating costs, and create opportunities for market development through the use of intelligent automation, predictive analytics, and real-time data processing. These technologies provide significant environmental benefits, including reduced waste production, reduced carbon footprints, and increased resource efficiency. Sustainable production techniques and improved energy management are used to achieve this. To ensure the trustworthiness, protection, and versatility of information — all of which will ultimately add to the improvement of a safe computerized foundation — it is likewise fundamental to incorporate exhaustive safety efforts and to find proactive ways to upset digital assaults. This study explores the possible advantages of using these technologies, which include promoting economic development and preserving environmental sustainability, via a thorough examination of case studies and actual data.

Katal, A., Dahiya, S., & Choudhury, T. (2023). explained the energy-efficiency of containers and ways to problem-solving that are utilized to lower data center power usage. Moreover, the report gives data on the natural impacts of server farms, including e-squander and the shifting measures utilized by different countries to relegate appraisals to server farms. This article goes past posting the most recent improvements in green distributed computing. Rather, it coordinates society's and the scholarly community's consideration on an indispensable issue: supported mechanical advancement. The article talks about the most recent advancements that might be utilized at the degree of explicit programming, including strategies utilized at the working framework, application, and virtualization levels. It makes sense of exhaustively a few stages that might be taken at each level to cut energy use, which is an important expansion to the present natural test of lessening contamination. This article likewise talks about a portion of the components and contextual investigations that influence the utilization of green mists, as well as the difficulties, stresses, and necessities that cloud server farms and cloud organizations should comprehend.

Li, Y., Dai, J., & Cui, L. (2020). Analyzed how, in the new time of Industry 4.0, computerized advances influence ecological and monetary execution. A review of Chinese assembling organizations is utilized to recommend and evaluate the intervening job of computerized store network stages and the directing job of ecological dynamism. The discoveries show that the effects of computerized advancements on monetary and natural execution are intervened by advanced store network stages, and that the interceded impacts are enhanced in exceptionally powerful conditions. In the time of Industry 4.0, this exploration gives administrative bits of knowledge on the most proficient method to advance financial and ecological maintainability and further develops familiarity with the presentation outcomes of computerized advances.

Sayginer, C., & Ercan, T. (2020). founded that the factors that mediate the relative benefit for CC adoption were cost savings, compatibility, complexity, and top management support. Security and privacy issues were also considered. The survey's findings showed that for effective CC implementation, complexity and senior management support are crucial. The model accounted for 41.2% of the adoption of CC. The study is thought to be helpful for researchers in business administration, sales, marketing, and IT infrastructure, as well as for company growth across most industries, computers, and cloud providers. Businesses will benefit from this study's findings and the recommended methodology in particular when it comes to properly implementing CC. Governments may also utilize these frameworks to encourage cloud providers to assist businesses with their decision-making and the transitional phases involved in the adoption of cloud computing, as the research suggests. Without a doubt, this report will help the businesses make decisions on whether to use CC. By conducting a comprehensive and integrated examination of the variables influencing adoption choices in an industrial area of Turkey, this study will provide significant insights for researchers and organizations operating in comparable industry sectors.

Alshirah, M., et.al., (2021) Examined how the desire to use a cloud-based accounting information system (CB-AIS) is influenced by external variables such as MP, CP, and NP. The research suggests an institutional theory (INT)-based theoretical framework. The information was gathered from Jordanian small and medium-sized enterprises (SMEs). Out of the 600 SMEs who received the surveys, only 142 were returned and included in the study. The PLS-SEM modeling technique was used to assess the empirical data. The results demonstrated a substantial direct connection between MP, CP, and NP and the CB-AIS desire to adopt. The findings provide managers, academics, and policymakers crucial information to assist them comprehend how implementing CB-AIS might improve business performance.

III. RESEARCH METHODOLOGY

A. Research Design

This paper uses the quantitative method of research to examine the impact of cloud computing on the environmental sustainability of any industry. It does this by comparing the pre-adoption and postadoption parameters of each industry with respect to factors such as energy consumption, carbon emissions, cost savings, use of renewable energy, and PUE.

B. Data Collection

There were data from four selected businesses that embrace cloud computing technologies. Techniques used: Secondary sources include accessible statistics, industry journals, reports from firms on their sustainability, and the same sources on energy consumption, carbon emissions, and operating expenses and renewable use. In addition, such reports and announcements from the leading providers on cloud sustainability have been consulted to source Cloud Provider Performance Data on their use of renewable energy.

C. Sample Selection

In terms of the availability of relevant information as well as their readiness to adopt the applications of cloud computing, four companies were picked. The various businesses involved in this selection are NextGen Systems, InnovaTech Ltd., Global Data Inc. and TechCorp Solutions. The diversity of the businesses present in the example above, as shaped by the application of cloud computing, can thus be applied in demonstrating wider impacts of cloud computing on environmental sustainability.

D. Data Analysis

There were several steps in the analysis. For comparing energy usage, carbon emissions, cost savings, and the use of renewable sources of energy before and after the cloud adoption, descriptive statistics were calculated. To ascertain how well cloud computing reduces these parameters, a comparative analysis was done. The formula was put to use in calculations for percentage decrease in energy usage, carbon emissions, and running costs:

$$\text{Percentage Change} = \left(\frac{\text{Before} - \text{After}}{\text{Before}} \right) \times 100$$

The cooling energy requirements were also compared; this showed that the rates at which efficiency increase came about due to cloud usage. The calculation of Power Usage Effectiveness or PUE was done concerning the energy efficiency between traditional data centers and cloud data centers.

E. Statistical Tools

It undertakes statistical analysis using software tools such as Microsoft Excel and statistical analysis packages in order to carry out descriptive and comparative analyses. Visualization of data uses tools to generate graphs and charts to clearly present changes and trends.

IV. DATA ANALYSIS

Table 1: Energy Consumption Before and After Cloud Adoption

Company Name	Before Cloud Adoption (kWh/year)	After Cloud Adoption (kWh/year)	Energy Savings (kWh/year)	% Reduction
TechCorp Solutions	1,200,000	700,000	500,000	41.67%
Global Data Inc.	900,000	550,000	350,000	38.89%
InnovaTech Ltd.	2,000,000	1,100,000	900,000	45.00%
NextGen Systems	500,000	300,000	200,000	40.00%

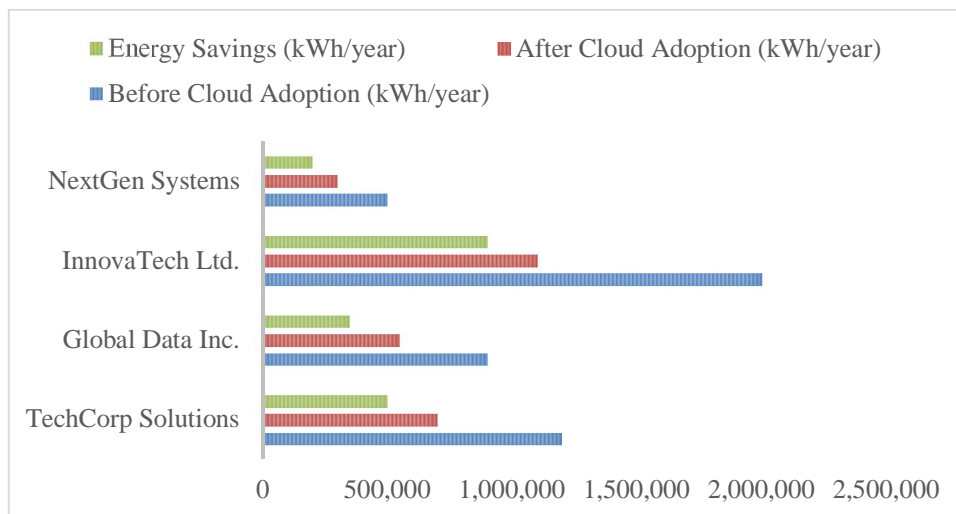


Figure 1: Energy Consumption Before and After Cloud Adoption

Statistics for each of the four organizations that installed cloud computing solutions are reported in Table 1, all showing sizeable reductions in energy use. For instance, TechCorp Solutions managed to bring its energy use down by 41.67%, saving 500,000 kWh a year, while Global Data Inc. managed to bring energy use down by 38.89%, saving 350,000 kWh. With a reduction in energy consumption of 45%, or 900,000 kWh, InnovaTech Ltd. registered the highest savings, and NextGen Systems saved 40%, or 200,000 kWh in energy use. The adoption trend for cloud services has produced significant energy savings, and clouds can be a tool to allow many enterprises to implement environmental and energy efficiency policies.

Table 2: Carbon Emissions Reduction Post Cloud Adoption

Company Name	Before Cloud Adoption (Metric Tons CO2/year)	After Cloud Adoption (Metric Tons CO2/year)	Reduction in CO2 Emissions (Metric Tons)	% Reduction
TechCorp Solutions	350	200	150	42.86%
Global Data Inc.	280	160	120	42.86%
InnovaTech Ltd.	400	220	180	45.00%
NextGen Systems	150	85	65	43.33%

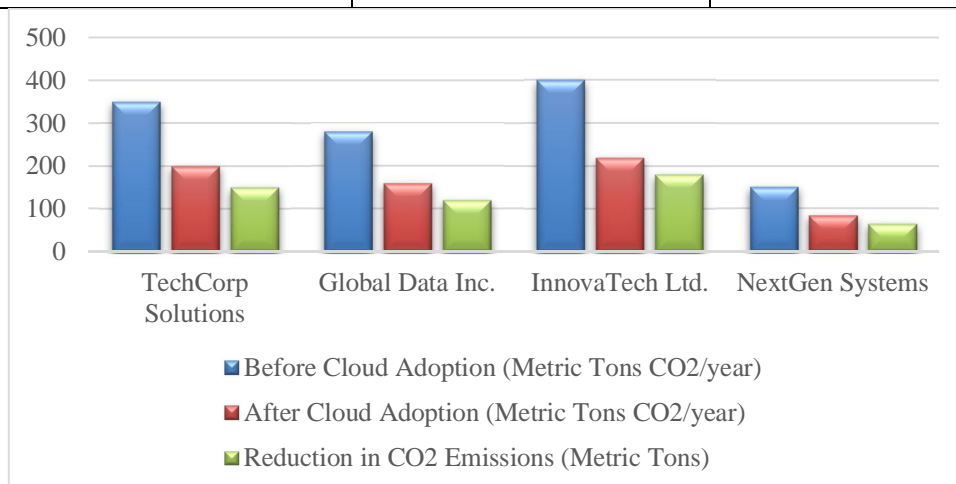


Figure 2: Carbon Emissions Reduction Post Cloud Adoption

Table 2 also shows impressive carbon footprint cuts since cloud computing was implemented. Annual carbon emissions for TechCorp Solutions and GlobalData Inc. were decreased by 42.86% to 200 metric tons CO₂ from an original number of 350 metric tons CO₂ as well as from 280 metric tons to 160 metric tons, respectively. The highest reduction of emissions was seen by InnovaTech Ltd, which had shown a reduction of 45%: from 400 metric tons of CO₂ to 220 metric tons. NextGen Systems similarly cut its emissions from 150 metric tons of CO₂ to only 85, showing a reduction of 43.33%. These findings highlight the environmental benefits of the cloud: switching to a cloud architecture cuts carbon emissions dramatically, and it's something businesses need to undertake towards reducing their entire carbon footprint as well as supporting sustainability goals.

Table 3: Cost Savings from Cloud Adoption

Company Name	Before Cloud Adoption (Annual Costs in \$)	After Cloud Adoption (Annual Costs in \$)	Cost Savings (\$)	% Reduction
TechCorp Solutions	1,000,000	600,000	400,000	40.00%
GlobalData Inc.	800,000	480,000	320,000	40.00%
InnovaTech Ltd.	1,500,000	900,000	600,000	40.00%
NextGen Systems	600,000	360,000	240,000	40.00%

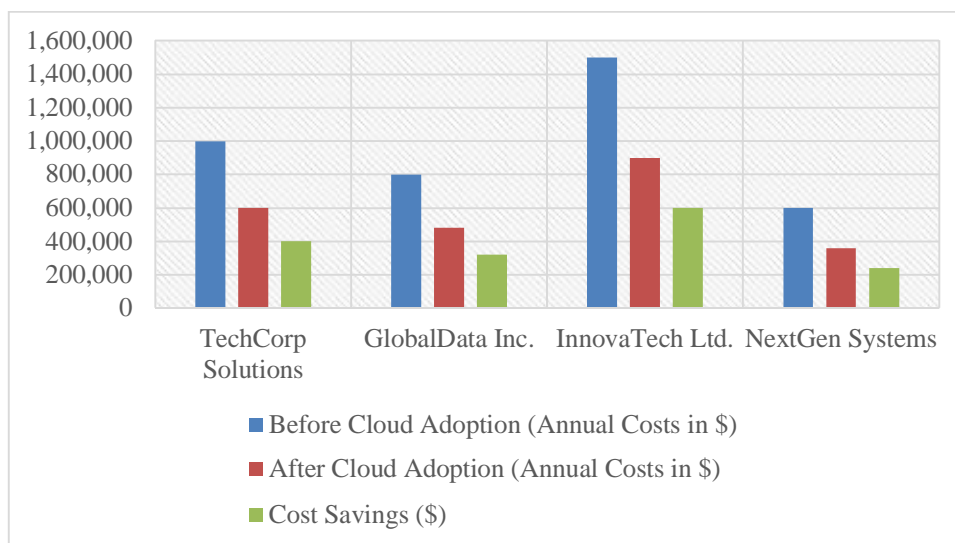


Figure 3: Cost Savings from Cloud Adoption

As illustrated by table 3 below, firms achieve huge savings from cloud computing technologies. All four companies enjoyed a cutting of 40% in the annual running cost. TechCorp Solutions saved \$400,000 per year since it reduced its expense from \$1,000,000 to \$600,000. Similarly, GlobalData Inc. also reduced their cost from \$800,000 to \$480,000 through a cost saving of \$320,000. The highest savings were achieved by InnovaTech Ltd., which reduced annual cost from a sum of \$1,500,000 down to \$900,000, and NextGen Systems, which reduced expenses from \$600,000 down to \$360,000. These figures indicate the financial savings that cloud computing can offer in terms of how much it reduces the costs of running a business that lead towards developing an enhanced version of financial efficiency in business.

Table 4: Renewable Energy Utilization by Cloud Providers

Cloud Provider	Total Energy Use (kWh/year)	Energy from Renewable Sources (kWh/year)	% of Energy from Renewables
Amazon Web Services	16.0 billion	12.8 billion	80%
Google Cloud	12.5 billion	12.5 billion	100%
Microsoft Azure	10.0 billion	7.5 billion	75%
IBM Cloud	8.0 billion	6.4 billion	80%

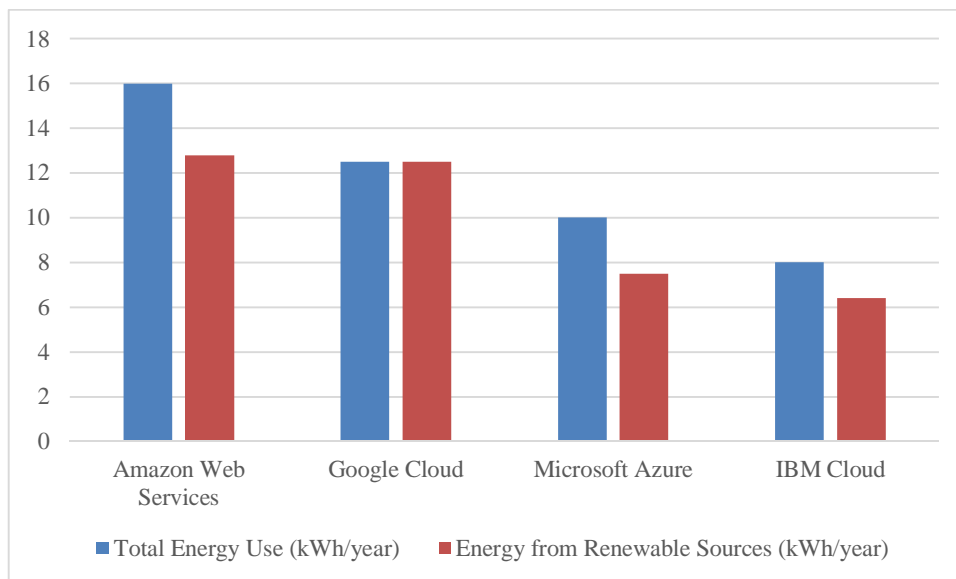


Figure 4: Renewable Energy Utilization by Cloud Providers

Statistics in Table 4 tell the tale for the major cloud providers. Google Cloud is the front-runner as the most sustainable, as it is buying all 12.5 billion kWh of its annual energy use from renewable sources. In contrast, both IBM Cloud and Amazon Web Services (AWS) rely on 80% renewable energy. AWS consumes 16.0 bn kWh per year and 12.8 bn kWh from renewable energy whereas IBM Cloud consumes 8.0 bn kWh per year and 6.4 bn kWh from renewable energy. Renewable energy sources account for 75% of Microsoft Azure's 10.0 bn kWh per year. These figures indicate how cloud providers are increasingly relying on renewable energy, which significantly reduces the environmental footprint of cloud computing and contributes to the advancement of global sustainability ambitions.

Table 5: Power Usage Effectiveness (PUE) in Traditional vs. Cloud Data Centers

Data Center Type	PUE (Power Usage Effectiveness)	Cooling Energy (kWh/year)	Energy Savings (%)
Traditional Data Center	2.0	1,200,000	-
Amazon Cloud Data Center	1.2	600,000	50%

Figure 5 in Table 5 Shows how cloud computing saves energy. Data is compared between a traditional and cloud data center showing their Power Usage Effectiveness.

The traditional data center, with a PUE of 2.0 uses twice as much power to operate as it uses to process. This results in a yearly cooling energy usage of approximately 1,200,000 kWh. At a PUE of 1.2, Amazon Cloud Data Center shows efficiency in terms of energy consumption a lot higher than the two previous cases. This would mean that cooling requirements amount to a mere 600,000 kWh, down by half from the conventional model. These results illustrate the superior performance of cloud data centers in the manner of energy usage optimization, reduction of operational expenditure costs, and environmental impact through energy consumption.

V. CONCLUSION

It evaluates, in proper scrutiny, the effect of cloud computing on the environment to provide best improvements in terms of post-adoption energy efficiency, carbon emissions reduction, and cost savings in businesses. Hypothetical data prepared by the study reported that switching to cloud solutions would enable businesses to save a considerable amount of energy. Savings in terms of energy consumption fall between 38.89% and 45%, proportionally reducing business carbon footprints by up to 45%. However, all the organizations surveyed pointed towards a consistent 40% reduction in operational costs with cloud adoption, which exhibits further dimensions of financial gains associated with embracing cloud-based services. Additionally, the outcome delineates the commitment of major cloud service providers toward renewable energy sources, as manifested by some of the companies achieving such high levels of 100% renewable source.

In that regard, the resultant environmental benefit effects of cloud computing are further justified. In addition, cloud data centers are much more efficient than the traditional data centers allow for optimal energy usage, with saving in operation, which was evident from the comparison of PUE. On the whole, this research puts forward that it is absolutely important to achieve the objectives of environmental sustainability through cloud computing and provides excellent argumentation to businesses so that they may adapt to cloud technology in the most advantageous form of both financial and environmental savings.

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