



## PCL INSIDER: News from the Capitol



### California Steps Up Its Game on Climate Leadership

The past month was a big one for climate change action in California. On April 29, Governor Jerry Brown signed Executive Order B-30-15, which set tough **new goals and deadlines for reducing the state's greenhouse gas emissions**, as well as more deeply incorporating climate adaptation into California's climate policies. On May 12, the Governor's May revision to the proposed 2015-2016 state budget included a **doubling in spending from the Greenhouse Gas Reduction Fund**, which receives revenues from California's cap-and-trade program established under AB 32. Environmentalists, the green energy industry and international observers hailed both actions as a further testament to California's world leadership in addressing the climate crisis.

Under the April executive order, the Administration set a new goal of reducing state **GHG emissions to 40% of 1990 levels by the year 2030**. This represents a continuation of the reductions called for in AB 32 that mandated cuts to 1990 levels by 2020. Although the state is on track to meet the 2020 limits, an 80% reduction from 1990 levels by 2050 is generally believed to be necessary to avoid a global temperature rise of more than 2°C, which climate scientists agree is the tipping point for catastrophic impacts from climate change. The 2050 goal was already established for the state in an earlier executive signed by former Governor Schwarzenegger, with hopes that it will be made permanent by the Legislature with the passage of SB 32 (Pavley) later this year.

The state's new 2040 goal is designed to keep the post-2020 momentum for GHG reduction strong, while providing market certainty that will foster investment and growth in renewable energy and innovative technologies around the state. According to the Governor's Office, the executive order signals California's continued willingness to take **"early, decisive action to reduce its carbon output, [including] accelerating cuts through 2030... and shifting infrastructure priorities to protect against climate change-related impacts in the future."** Adaptation measures set forth in the executive order include requiring state agencies to factor resiliency into all state planning and investment decisions, and incorporating adaptation considerations in the state's 5-year Infrastructure Investment Plan.



### **Dollars Flow to Support Climate Actions**

The only thing better than creating strong new policies to combat climate change is to actually have **money to implement those changes on the ground**. That piece of the puzzle fell into place on May 14 when the Governor announced his May revision to the proposed budget for the fiscal year beginning July 1.

The May Revise, as it is known, is the Governor's second round attempt at proposing an annual budget, done at a time when the state's fiscal picture is much clearer than with the initial January proposal, particularly after April personal income tax revenues have come in. In January of this year the Governor proposed spending \$1 billion from the Greenhouse Gas Reduction Fund (GGRF) on projects and programs to reduce GHG emissions in the state. GGRF receives its money from the auction revenues generated by the AB 32-inspired cap-and-trade program. 2015 was the first year that industries producing transportation fuels were required to participate in the program, and this new addition increased revenues significantly, allowing the May Revise budget to more than **double GGRF spending to \$2.2 billion**, up from the \$1 billion in the original proposal.

GGRF funds are allocated according to an investment plan developed by the California Air Resources Board and by legislation enacted by the Legislature. The funds must be spent

on projects that further the goals of AB 32, and are subject to certain statutory restrictions – most importantly that **25% of the monies are spent to benefit disadvantaged communities**, and that 10% must actually be spent in disadvantaged communities.

Many of the programs receiving GGRF funding are new or on-going efforts that will be familiar to PCL members and member organizations. Some of those include:

- Affordable Housing and Sustainable Communities Program (including sustainable agriculture and land conservation) ... **\$400 million**
- Low Carbon Transportation (clean vehicle rebates) ... **\$350 million**
- Drought-related energy efficiency measures ... **\$75 million**
- Wetlands and Watershed Restoration ... **\$65 million**
- Forest Health ... **\$92 million**
- Healthy Soils ... **\$20 million**
- Energy Savings from Waste Diversion ... **\$60 million**

The final budget must be passed by the Legislature by June 15, and signed by the Governor by June 30. Stay tuned for more information on final climate-related budget outcomes and what they mean for the environmental, conservation and equity communities.

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