

# **Cap-and-Trade Auction Proceeds Second Investment Plan**

**Air Resources Board Public Hearing  
December 17, 2015**



State of California

# Climate Action Team Testimony

**Matt Rodriguez**

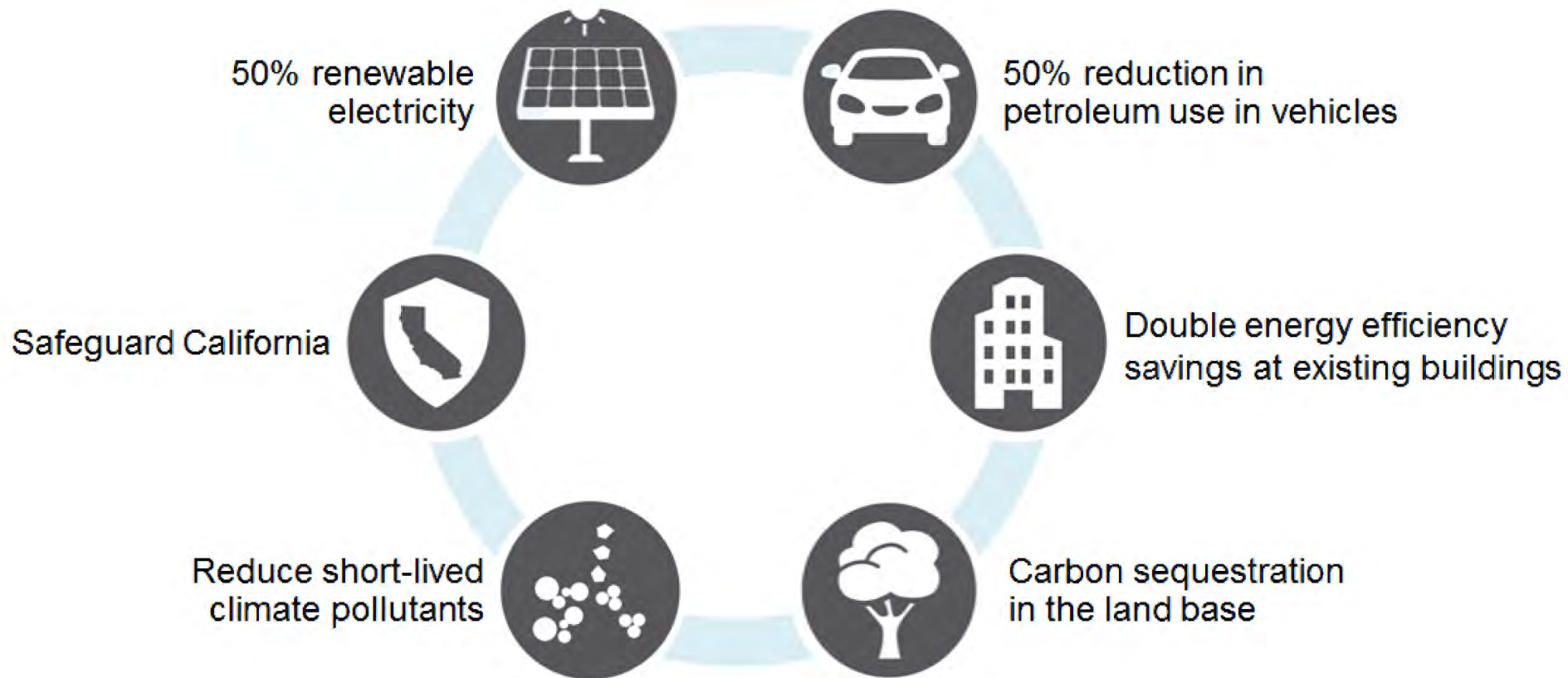
*Secretary for Environmental Protection  
& Chair of the Climate Action Team*





# California's climate strategy: 2030 focus

Reduce GHG emissions to 40% below 1990 levels by 2030





# Investments support climate objectives

---

- California is a leader in climate action
- ~\$2.4 billion appropriated to date, more to come
- Investments are an important part of achieving the State's broader climate goals, strategies, and legislative priorities





# Statutory requirements



- Legislation calls for a three-year investment plan to guide appropriation
- Identification of GHG reduction goals, gap analyses, priority investments
  - Investments must facilitate GHG reductions
  - Funds for disadvantaged communities
  - Finance is responsible for plan, in consultation with ARB and other agencies
  - Climate Action Team (CAT) participates



# Plan fundamentals

---

- Multi-agency (Administration) document
- Due to Legislature January 2016
- Applies to proceeds from auctions of *State* allowances in 2016-17 to 2018-19
- Plan recommends investment concepts by sector—does not specify dollars
- Inclusion of recommended investment does not guarantee funding



# Expenditures



- Legislature allocates funds in budget
- Starting this year, 60% continuously appropriated to affordable housing & sustainable communities, transit, and High Speed Rail
- Plan focuses on remaining 40% of discretionary funding



# Plan development

Legislative  
direction

Agency  
priorities

Public  
input

Draft Investment Plan  
recommendations





# Investment plan goals

Reducing greenhouse gas emissions

Benefiting California's most disadvantaged communities

Increasing rural community participation

Maximizing co-benefits to health, environment, and economy

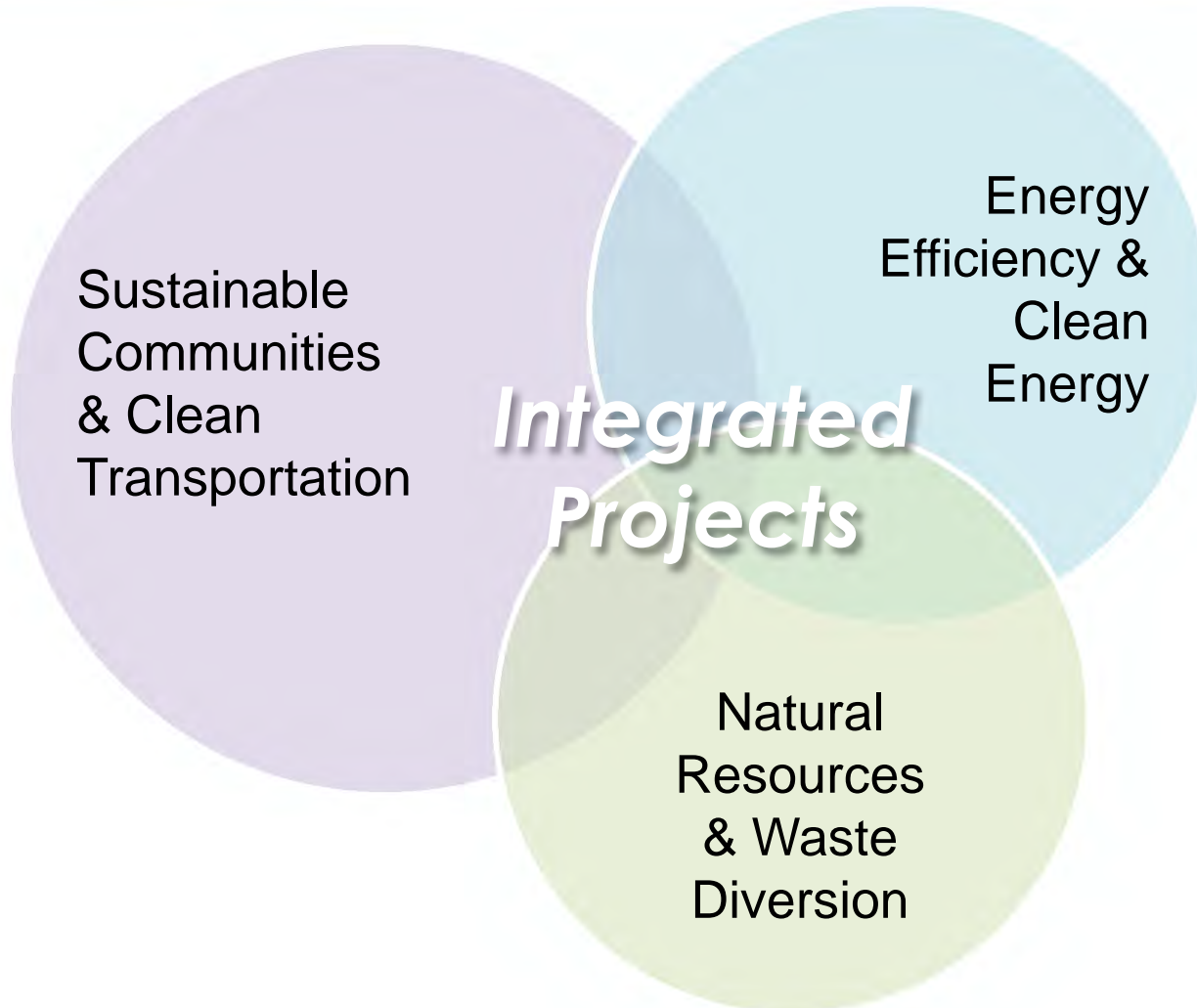
## Cross-cutting approaches

Local climate action in disadvantaged communities

Efficient financing mechanisms to maximize investment



# Continue/expand focus areas





# Multi-agency team



California  
Strategic Growth Council



CALIFORNIA DEPARTMENT OF  
FOOD & AGRICULTURE



CALIFORNIA STATE TRANSPORTATION AGENCY



Caltrans®



CALIFORNIA  
High-Speed Rail Authority



CalEPA  
California Environmental  
Protection Agency

California Environmental Protection Agency  
 **Air Resources Board**





# Public input



*Agency leaders listen in LA*

- Draft concept paper (Jul)
  - 7 public workshops (Aug)
  - 170+ speakers, 200+ written comments
- Draft investment plan (Oct)
  - 3 public workshops (Nov)
  - 80+ speakers, 100+ written comments
- Revised draft investment plan (Dec)



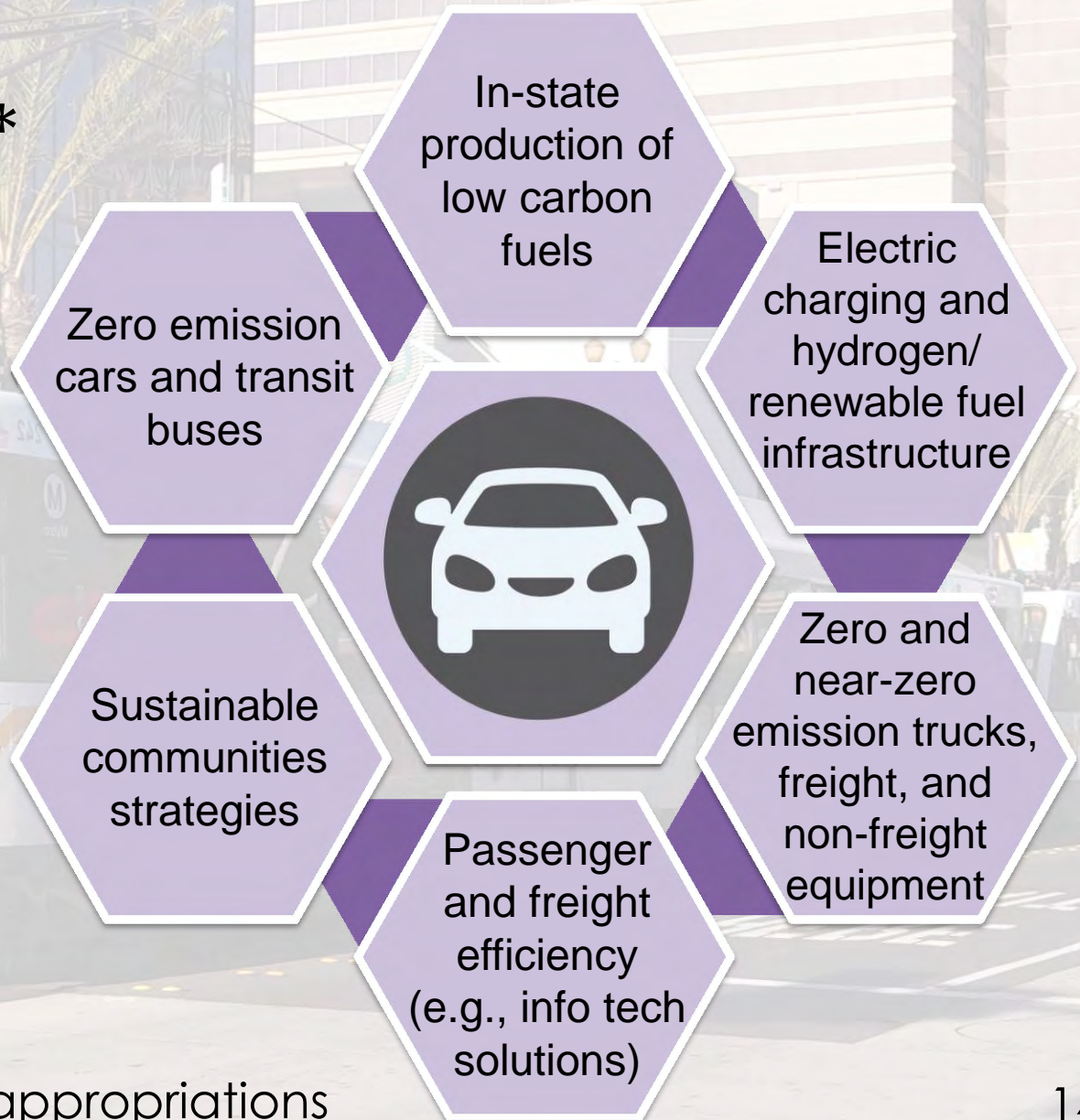
# Public comments

---

- Continue/expand existing programs
- Enhance opportunities for schools, rural communities, and green businesses
- Assist disadvantaged communities
- Support integrated projects
- Support co-benefits (e.g., job training and development)

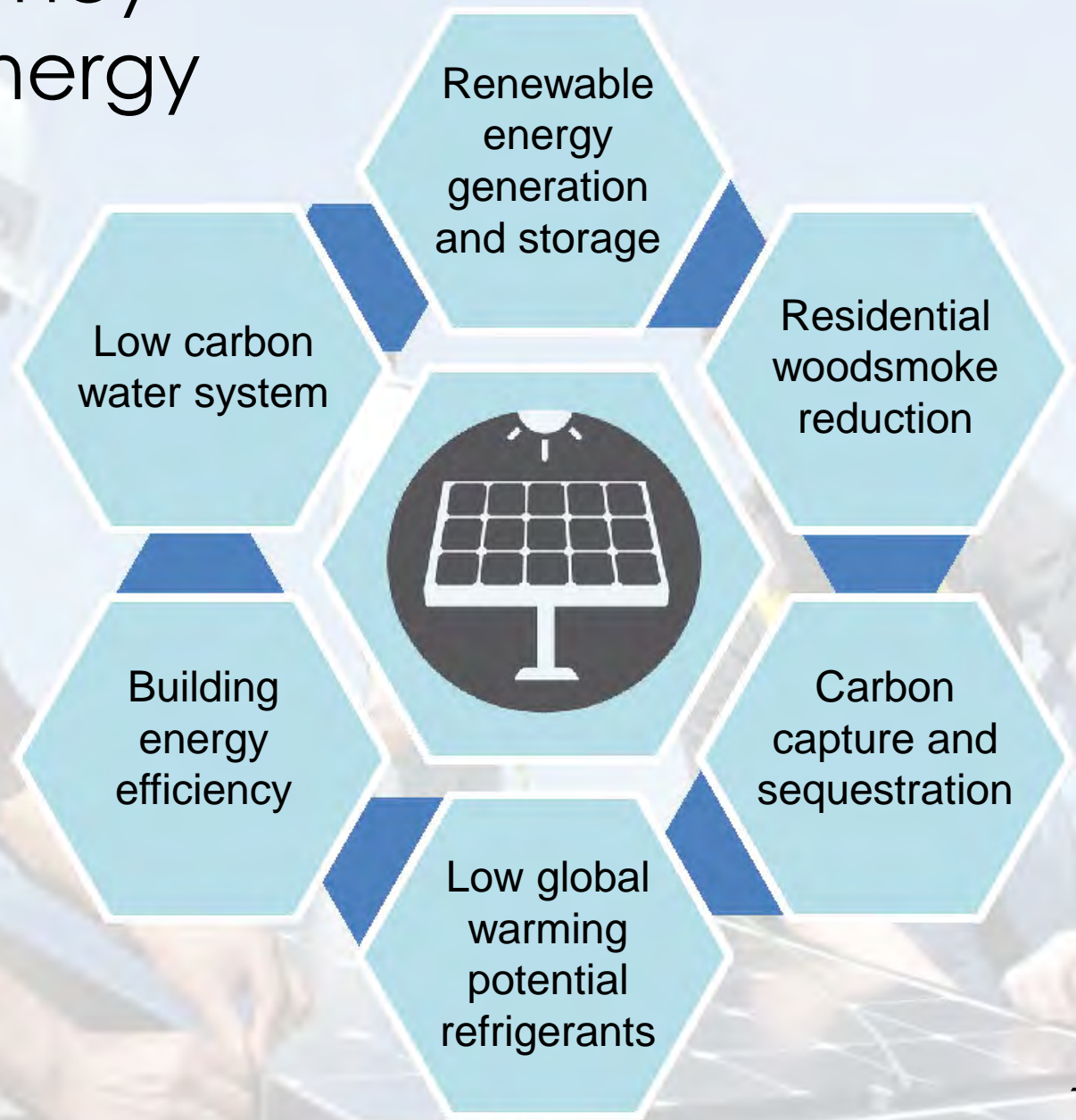


# Sustainable Communities and Clean Transportation\*



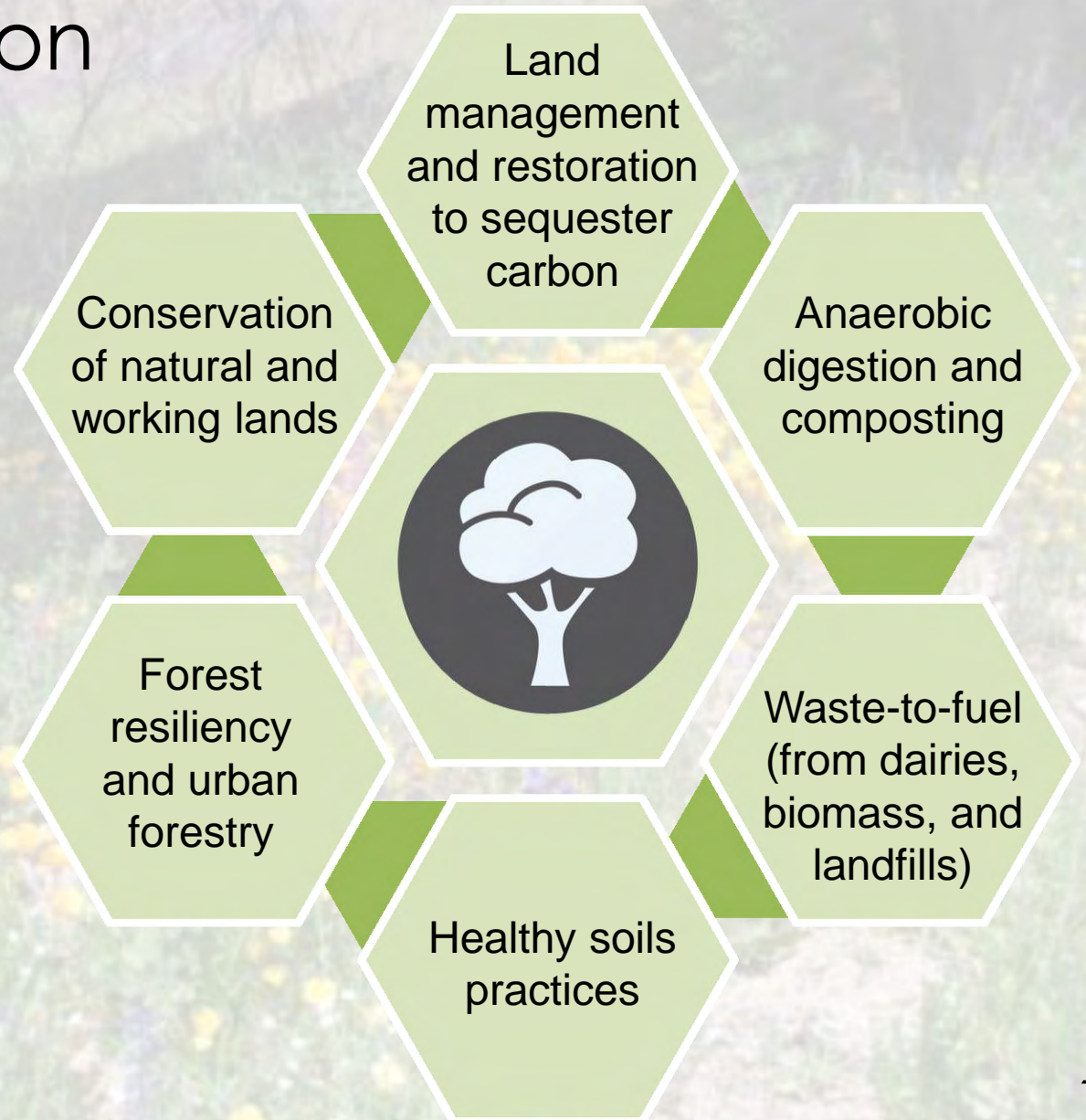
\*Beyond continuous appropriations

# Energy Efficiency and Clean Energy





# Natural Resources and Waste Diversion





# Maximizing co-benefits from investments

---

- Public health
- Environmental
- Economic
- Safeguard Californians against the impacts of a changing climate



# Staff recommendation

---

- Approve Board Resolution 15-49
  - Investments would facilitate GHG emission reductions and further the purposes of AB 32
  - Investment Plan was developed in accordance with State law and has satisfied public process requirements
  - Support for funding of the identified priority programs and projects