

February 9, 2024

California Air Resources Board
1001 I Street
Sacramento, CA 95814


RE: Ceres Comments on California's Priority Climate Action Plan (PCAP) under the federal Climate Pollution Reduction Grant (CPRG)

Submitted Via Electronic Mail

To Whom It My Concern,

Ceres, Inc. ("Ceres") submits these comments regarding the California Air Resources Board's (CARB) proposed priority climate action plan (PCAP) as required for application to the federal Climate Pollution Reduction Grant (CPRG). Founded in 1989, Ceres is a nonprofit sustainability advocacy organization that is working to incorporate sustainability risks into the global economy to build a just and prosperous future for people and the planet. Ceres collaborates with hundreds of investors and companies in our networks — including our Investor Network, Company Network, and Policy Network — to advance climate solutions, protect global water resources, accelerate sustainable capital markets, build a just and inclusive economy, and advocate for smart public policy. Many companies and investors in our networks are headquartered or have substantial operations in California.

Growth: Support the Progress Made by Public and Private Sector Partnerships in Clean Energy

California has set some of the most ambitious climate goals in the country — yielding significant economic benefits. The state achieved its 2020 greenhouse gas (GHG) emission reduction goal four years early while experiencing the [fastest-growing economy in the U.S.](#) The passage of AB 1279 (Muratsuchi), which codified California's goal to achieve carbon neutrality by 2045, as well as the adoption of the 2022 Climate Change Scoping Plan with a sector-by-sector roadmap to achieve AB 1279's mandates, have further cemented the state's climate leadership. In fact, California consistently ranks [first in the nation](#) in clean energy jobs. By taking advantage of federal funding opportunities through the Inflation Reduction Act of 2022 (IRA) and the bipartisan Infrastructure Investment and Jobs Act of 2021 (IIJA), the state will continue to grow its economy, strengthen its workforce, and attract new business. Moxion, Statevolt, and Element Energy have each either expanded or plan to expand operations in the state as a result of clean technology incentives in the IRA and IIJA, bringing [over \\$11.9 billion and over 5,000 new jobs](#) to California. 

Engagement: Work with Private Sector Sustainability Leaders to Set Clear Baseline Expectations

To further capitalize on California's ongoing progress towards a clean energy economy and to implement the priority measures outlined in the state's PCAP, we encourage CARB to maintain and further develop partnerships with the private sector. Many businesses across California are industry leaders in the clean economy — from battery manufacturers to electric vehicle charging station operators to energy efficiency service providers. Other major businesses outside of the clean tech industry have made commitments to transition to

clean energy or reduce greenhouse gas (GHG) emissions from their own supply chains because they understand firsthand the risks posed by climate change and volatile fossil fuel prices. We recommend that CARB engage with businesses as employers, energy users, and community members that can share insights from their operations and experiences with policy and programs in California and in other states. Ceres welcomes the opportunity to offer guidance on behalf of our business networks and to facilitate direct introductions to leading companies in the state.

Strategy Development: Lay the Groundwork for Strong Clean Energy, Clean Transportation, Clean Buildings, and Equity Standards

We recommend that CARB and other state and municipal agencies involved in the CPRG implementation process provide a framework for strong and equitable clean energy policies, customer programs, and workforce development. We support the state's planned priority sectors and subsequent measures for its CPRG application, and encourage prioritizing the following in the final PCAP:

- **Transportation**
 - Expanding incentives for zero-emission vehicles (ZEVs) and accelerating charging infrastructure development — especially for medium- and heavy-duty zero-emission vehicles to complement the National Electric Vehicle Infrastructure (NEVI) program, which primarily only includes passenger vehicle incentives.
 - We support Transportation Measure 1 to create a holistic, Heavy-Duty Zero-Emission Vehicle Buydown Program and Transportation Measure 2 to accelerate truck charging at California ports and warehouse districts.
- **Energy**
 - Ensuring further development of clean, reliable, and affordable electricity to enable economy-wide decarbonization.
 - We support Energy Measure 2 to upgrade the capacity of distribution systems and Energy Measure 3 to expand the state's Self Generation Incentive Program.
- **Buildings**
 - Fast-tracking state development and implementation of federal programs such as the [Home Energy Rebate Program \(HOMES\)](#) and the [Home Electrification and Appliance Rebate \(HEAR\)](#) program, allowing California to capitalize on CPRG funding and create a rolling system for federal funding capture.

Overall, the priority sectors represent a well-rounded approach to climate pollution reduction planning and allow for nuanced company engagement with industry leaders. We encourage CARB to make the CPRG implementation process as transparent as possible. Advance consultation and public participation will allow participants and stakeholders in key sectors adequate time to bring technologies to the market in a manner tailored to California's needs and requirements. Relatedly, we suggest that California be cognizant of CPRG planning and implementation in neighboring states and work with these states to collaborate where possible. Designing programs with coherence and consistency across state lines will allow for much greater efficiency in technology access and installation, as well as overall program implementation.

Environmental Justice: Prioritize Equity Ownership by Communities and Workers from Those Communities

We also recommend that implementation of California’s PCAP encourage, where applicable, project development that leads to equity ownership by project beneficiaries and local communities. Consistent with the underlying economic justice emphasis of Justice40 and the Climate Pollution Reduction Grant, Ceres supports ownership of clean energy, climate resilience, and other infrastructure projects by workers (e.g., cooperative enterprises) and disadvantaged communities (e.g., community solar).

Civil Rights Compliance Should Be Ensured in All Planning and Implementation Phases.

Finally, we call for all public and private sector entities engaged in the state’s PCAP implementation to be held to strong standards of civil rights compliance, alongside environmental justice obligations. Both public sector and private sector plans should incorporate mechanisms necessary to comply with Title VI of the Civil Rights Act of 1964 (Title VI), the Fair Housing Act (FHA), civil rights protections provided under various Presidential Executive Orders, and correlated state laws and orders. We recommend ensuring that private and public sector entities demonstrate both the ability to assess and prevent discriminatory effects and disparate burdens as part of planning and actual compliance in implementation.

Sincerely,

A handwritten signature in black ink that reads "Sarah Sachs". The signature is written in a cursive style and is positioned to the left of a vertical line.

Sarah Sachs
Manager, Western State Policy
Ceres