



Cap-and-Trade Auction Proceeds Fourth Investment Plan: Fiscal Years 2022-23 through 2024-25

November 19, 2021

California Climate Investments



Cap and Trade
Dollars at Work



CALIFORNIA
High-Speed Rail Authority



California Climate Investments Foundational Requirements



- GHG reductions
- Co-benefits
- Job creation
- Air quality
- Priority populations
- Community participation
- Lessen climate impacts

Investment Plan Overview

- Driven by statutory requirements
 - Three-year document
 - Recommendations for priority investments and metrics
 - Collaboration across agencies
- Does not make appropriations or guarantee funding
- Informs annual budget process



State of California
Department of Finance

Draft Final Cap-and-Trade Auction
Proceeds Fourth Investment Plan
Fiscal Years 2022-23 through 2024-25

Draft for Public Comment

Draft Release Date: October 27, 2021
Comments Due: November 8, 2021



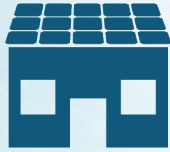
Process and Timeline



State Climate Goals



GHG
Emissions
Reductions



Carbon
Neutrality



Zero-Emission
Vehicle
Deployment



Per Capita
GHG
Emissions
Reductions
from
Passenger
Vehicles



Energy
Efficiency &
Renewable
Energy

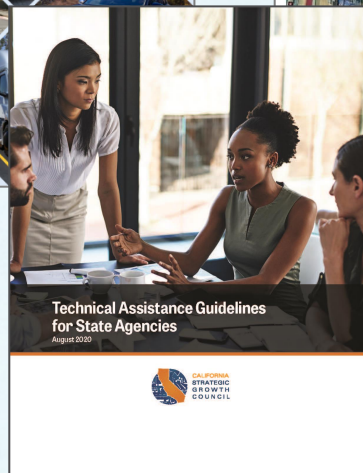
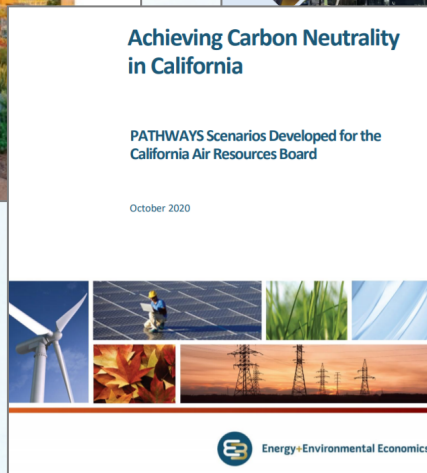
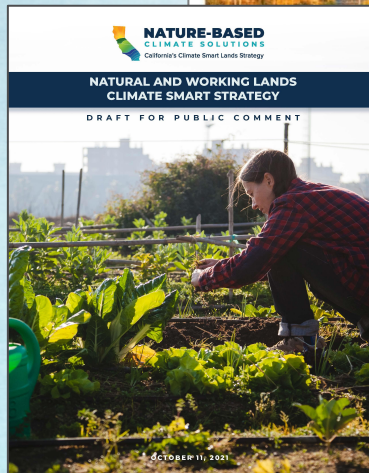


Natural &
Working
Lands



Short-Lived
Climate
Pollutants

Identifying Potential Investment Needs



Guiding Principles & Evaluative Metrics



Support implementation of
State climate goals



Advance equity and
environmental justice



Improve public health



Support a climate-resilient
and prosperous economic future



Foster interagency coordination

Recommended Funding Priorities

1

Fund investment types in key sectors: sustainable transportation and communities; low-carbon energy, buildings, and industry; natural and working lands; livestock; and waste diversion



2

Provide dedicated funding to advance equity, environmental justice, and community participation



Recommended Funding Priorities cont.

3

Direct funding towards high-quality jobs and high road workforce development



4

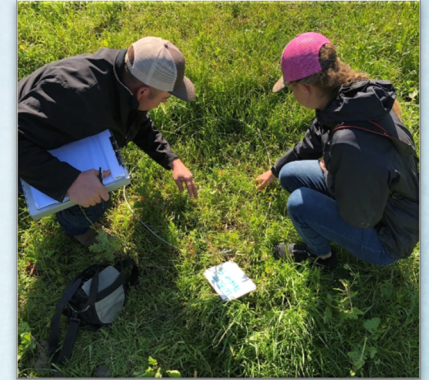
Integrate nature-based solutions and zero-emission technologies into investment types across sectors



Recommended Funding Priorities cont.

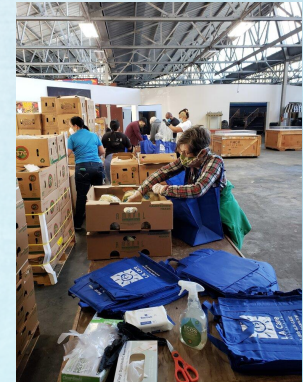
5

Support policy-relevant research and program evaluation tied to emissions-reducing projects



6

Advance support for priority populations and other underserved communities



Recommended Metrics

Maintain existing, foundational metrics

Incorporate additional metrics, as appropriate, on:

- Public health
- Race, ethnicity, gender identity, socioeconomic status, and other demographics
- Benefits of nature-based climate solutions
- Job quality metrics
- Project-level equity



Next Steps

- Staff recommend the Board approve Resolution 21-25
- Coordination with Department of Finance to revise Investment Plan and submit to Legislature by Jan 2022