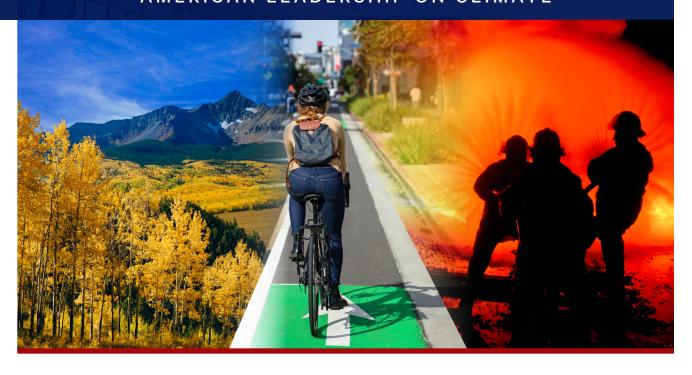
UNITED STATES CLIMATE ALLIANCE

2019 Annual Report Executive Summary



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AMERICAN LEADERSHIP ON CLIMATE



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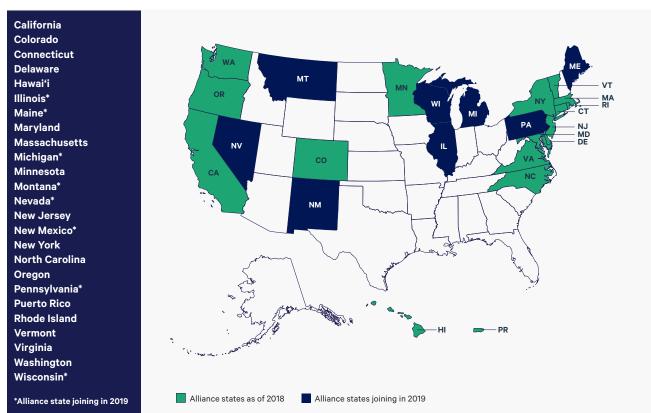
STRENGTH IN NUMBERS

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In June 2017, the governors of California, New York, and Washington created the U.S. Climate Alliance (Alliance) as a coalition of governors committed to transitioning to a clean economy and meeting the goals of the Paris Agreement on climate change. In roughly two years, this coalition has grown to twenty-five governors—both Democrats and Republicans—representing 55 percent of the U.S. population and 60 percent of U.S. GDP.

These twenty-five states and territories are as diverse as the nation itself, representing major urban areas and small towns, coastal communities and farmers in America's heartland. Through thoughtful, coordinated state action, these governors are filling the federal leadership void, aiming to reduce their collective greenhouse gas (GHG) emissions by at least 26–28 percent below 2005 levels by 2025, with many adopting substantially more ambitious emission reduction targets. Generating 40 percent of U.S. GHG emissions, this coalition is equivalent to the world's sixth largest emitter. Today the Alliance has become an entity of global importance, capable of making a genuine impact on global emissions through its leadership and action.

ES-MAP 1 U.S. Climate Alliance States



OUR PROGRESS TO DATE

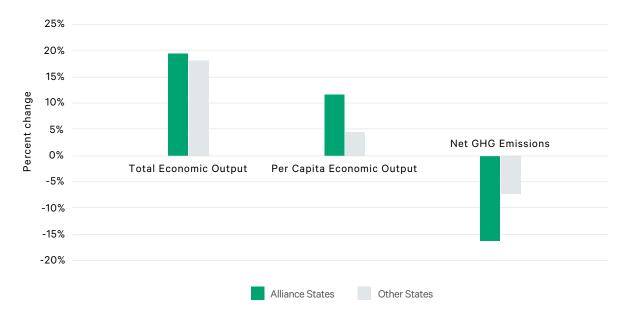
Between 2005 and 2017, Alliance member states reduced their collective GHG emissions by 16 percent, compared to 7 percent for the rest of the country—more than twice the rate. In that period, the combined per-capita economic output generated by these states and territories grew by 12 percent compared to 4 percent for the rest of the country, demonstrating that climate leadership and economic growth go hand-in-hand. As a result of Alliance leadership, communities across these states have benefited from lower levels of harmful air pollutants; increased access to cheaper, cleaner energy; more efficient vehicles; and high-quality clean energy jobs.

As the federal government continues to roll back critical protections, Alliance governors have strengthened existing measures and implemented new policies over the past year, including:

 Adopting new or strengthened GHG emissions reduction targets, including four new carbon neutrality goals;

- Investing in communities using funds generated by market-based programs, such as the Regional Greenhouse Gas Initiative (RGGI);
- Ramping up zero-carbon power generation, with eight states enacting legislation for 100 percent carbon-free or clean electricity by 2040 or later, and eleven more pursuing the same ambitious goal;
- Modernizing building codes and reducing appliance energy costs through energy efficiency standards;
- Driving down our largest source of emissions by supporting one strong national clean car standard and providing the incentives and infrastructure to accelerate the transition to zero-emissions vehicles (ZEVs) and mobility;
- Cutting fugitive methane emissions from oil and gas systems, and phasing down powerful hydrofluorocarbons (HFCs)—short-lived climate pollutants that, if addressed quickly, can slow the pace of climate change in the near-term;

FIGURE ES-1 Alliance States and Territories Lead the Country in GHG Emissions Reductions and Economic Growth Change in net GHG emissions and economic output, 2005–2017



SOURCE: Emissions data - Independent analysis of U.S. Climate Alliance GHG emissions conducted by Resources for the Future (RFF); GDP data - U.S. Bureau of Economic Analysis; Population data - U.S. Census Bureau

- Mobilizing capital from a range of sources to help fill financing gaps in the clean energy and resilient infrastructure sectors;
- Improving land management practices to enhance carbon sequestration, mitigate emissions, and build more resilient communities and ecosystems through natural and working lands; and
- Strengthening community resilience, including through training programs, grants, and tools.

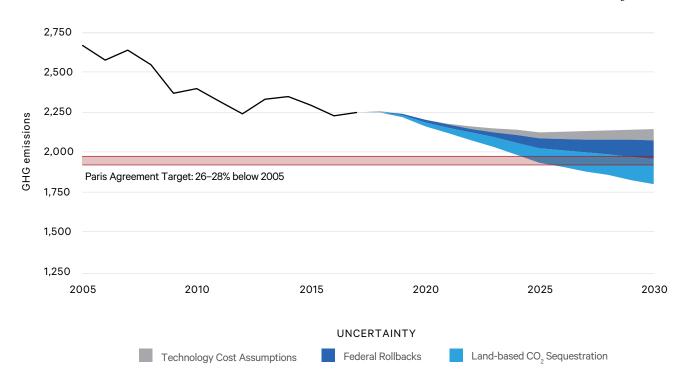
Alliance governors continue to share nation-wide bipartisan solutions that work to address climate change while delivering co-benefits for residents and businesses, and are engaging with international leaders to share experiences and explore opportunities to enhance ambition globally.

LOOKING AHEAD

According to independent analysis, the Alliance is on track to continue reducing GHG emissions through 2025 (see Figure ES-2), within reach of our GHG emissions reduction target. Considering policies currently in place, our collective GHG emissions are projected to fall by at least 20-27 percent below 2005 levels by 2025. Compared to last year, Alliance states are now collectively reducing emissions across a larger share of the U.S. economy, making a bigger dent in our national emissions. We have substantially accelerated the pace and scale of climate policies adopted over the past year. We expect this leadership to further drive down emissions beyond 2025, putting us on a path to reducing GHG emissions up to 32 percent below 2005 levels by 2030. But extensive work remains to ensure this goal becomes a reality and to preserve the opportunity for the United States to re-enter the community of nations working together to avoid catastrophic climate change.

FIGURE ES-2 With Current Policies, Alliance States Forge a Path for Achieving our Paris Target

Net GHG emissions from Alliance states, million metric tons carbon dioxide equivalent (MMTCO₂e)



SOURCE: Independent analysis of U.S. Climate Alliance GHG emissions conducted by RFF. For more information, please see the Appendix in the Annual Report.

WHAT'S NEXT

Over the next year, Alliance states and territories will continue to advance the most ambitious state climate agenda in U.S. history, building on proven bipartisan solutions and multi-state strategies while at the same time growing our economies and high quality jobs. We will act on the Short-Lived Climate Pollutant Challenge (#SLCPChallenge) and address potent HFC and methane emissions, adopt appliance standards and improve building efficiency, and support the transition to zero-carbon electricity generation. We will work together to implement the Nation's Clean Car Promise while continuing to pursue additional actions that protect families and businesses from unnecessary air pollution and fuel costs. We will follow through on the Natural and Working Lands Challenge (#NWLChallenge) to protect and enhance

our most important carbon sinks such as forests, farms, rangeland, and wetlands, while also building greater community resilience that prepares families for severe weather hazards, especially in those communities that are most vulnerable. We will continue improving the methods used to estimate our GHG emissions so we can more effectively plan for both near- and long-term mitigation actions and track our progress. And we will continue cooperating with leading nations to help inspire ambitious action and accelerate the global transition to a low-carbon economy.

