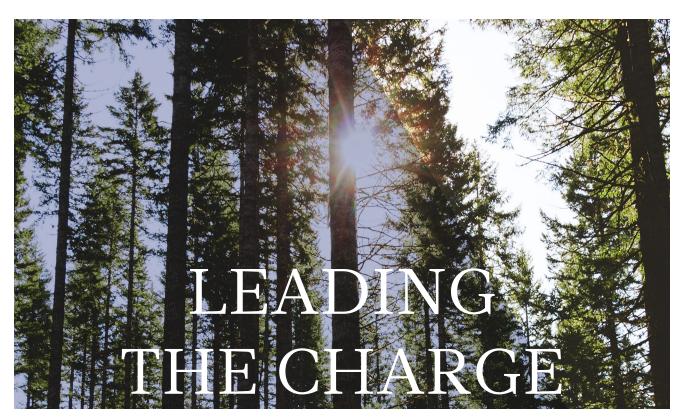
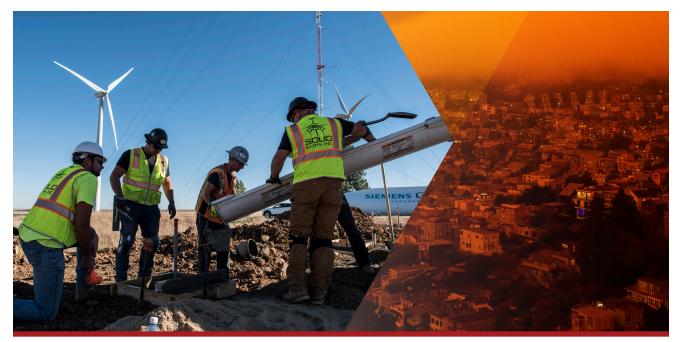
UNITED STATES CLIMATE ALLIANCE

2020 ANNUAL REPORT Executive Summary



WORKING TOGETHER TO BUILD AN EQUITABLE, CLEAN, AND PROSPEROUS FUTURE



UNITED STATES CLIMATE ALLIANCE

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Pictured on the Cover: Tillamook State Forest, Oregon by Eric Muhr, Unsplash. A construction crew installs 16 EV charging stations in Boulder, Colorado by Dennis Schroeder, National Renewable Energy Laboratory (NREL). Wildfires in California discolor the skies in San Francisco by Patrick Perkins, Unsplash.

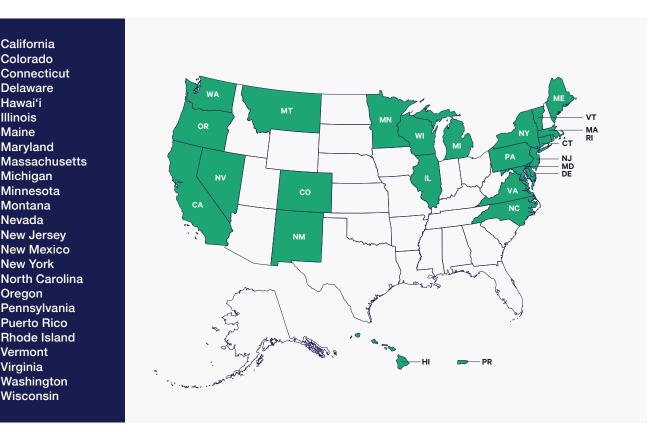
EXECUTIVE SUMMARY

The U.S. Climate Alliance (Alliance) is a bipartisan coalition of governors committed to transitioning to a clean energy economy and advancing the goals of the Paris Agreementⁱ—"to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius." Representing the majority of the U.S. population and gross domestic product (GDP), the 25 Alliance states and territories (ES-Map 1) are working together to adopt and implement ambitious climate policies that decrease emissions, deploy clean power

and fuels, enhance natural carbon sequestration, increase resilience to climate impacts, and improve our communities' economic and health outcomes.

REFLECTING ON 2020

2020 has been one of the most challenging years in history. The COVID-19 pandemic and the resulting economic crisis have taken a staggering toll on this nation, with an outsized impact on minority communities. High-profile police shootings have compounded these structural injustices, leading to a national outcry against the racial inequities that have long plagued our country.



ES-MAP 1 U.S. Climate Alliance Members

In June 2017, the governors of California, New York, and Washington created the U.S. Climate Alliance when the federal government announced its intention to withdraw the United States from the Paris Agreement.

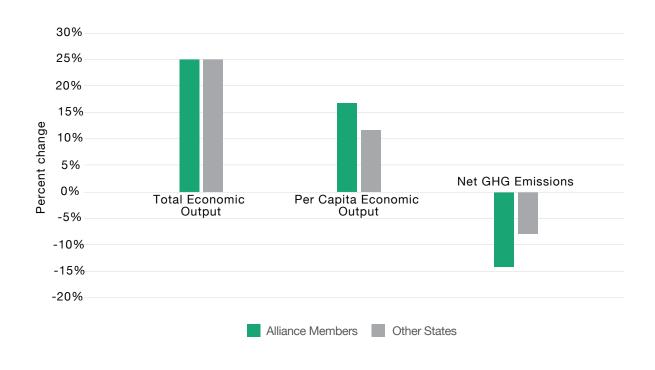
Through this all, there has been a continued and profound lack of federal leadership. Just as the federal government has been slow to address the virus that has taken over 195,000 lives in this nation alone (as of September 15, 2020), it has also rolled back critical environmental protections that would have reduced healthdamaging pollutants. At the same time, many of our members are responding to climate-driven disasters and extreme weather events, including wildfires, hurricanes, and massive heatwaves.

OUR PROGRESS

Now more than ever, Alliance members hold firm in our commitment to provide the climate leadership our country needs. Over the past year, members have pushed back against the deregulation of federal environmental safeguards and adopted innovative climate policies across all sectors. These policies and programs provide a strong foundation to make all of our communities cleaner and more resilient.

Prior to COVID-19's extreme economic impact across all regions and sectors, Alliance members spent years proving that emissions reductions and adapting to a changing climate can be achieved while growing our economies. Between 2005 and 2018, Alliance members collectively outpaced the rest of the country in both emissions reductions and economic output, with an estimated 14 percent decrease in emissions and a 16 percent increase in per-capita economic output (ES-Fig 1). Preliminary estimates show further declines in emissions in 2019. Additionally, it is important to note that these numbers do not take into account the significant cost of inaction in addressing climate change.





SOURCE: Emissions data – Rhodium Group Climate Service; GDP data - U.S. Bureau of Economic Analysis; Population data - U.S. Census Bureau The COVID-19 pandemic has had far-reaching negative economic impacts and exacerbated public health and equity disparities. Despite these challenges, Alliance members have continued to make progress on our climate commitments. Looking across the Alliance, members are:

- Increasing ambition: Setting ambitious near-term greenhouse gas (GHG) emissionsreduction targets and advancing climate governance within each of our states;
- Addressing equity and inclusion: Incorporating principles of a just and equitable transition to a clean energy economy into the foundation of our climate actions;
- **3.** Expanding energy efficiency: Increasing building energy efficiency through codes, performance standards, and appliance efficiency standards;
- Decarbonizing power generation and distribution: Cleaning and modernizing our power grids;
- 5. Advancing clean transportation: Deploying more-efficient and zero-emissions vehicles and developing markets for cleaner fuels;
- 6. Adopting market-based solutions: Joining, developing, and operating carbon markets such as the Regional Greenhouse Gas Initiative (RGGI) and the Transportation & Climate Initiative (TCI);
- Reducing short-lived climate pollutants: Adopting regulations to address potent GHGs like methane and hydrofluorocarbons (HFCs);
- 8. Strengthening resilience: Preparing for the effects of climate change and increasing communities' ability to confront these effects, especially among vulnerable communities;
- 9. Enhancing natural and working lands: Protecting and improving our farmlands,

forests, wetlands, grasslands, and other land types' ability to sequester carbon and become more resilient to a changing climate; and

10. Fostering innovation: Developing cuttingedge policies and programs to combat the climate crisis, including catalyzing private investment to support state climate goals.

Underpinning many of these actions has been the drive to protect community health, promote workforce development, and expand opportunities for education, job training, and employment for disenfranchised communities.

A ROBUST AND RESILIENT RECOVERY

Alliance members are committed to rebuilding our economies in ways that prioritize addressing climate change, health, equity, and resilience. However, our members have had to move forward without federal leadership. We therefore have provided recommendations to Congressional leadership to help us with these efforts, including the need for immediate, flexible federal aid for states and territories to enable our governors to preserve core government services. As we look toward a strong recovery, Alliance members will also need resources to strengthen and modernize our infrastructure in ways that build resilience and reduce GHG emissions. Nature-based solutions should be utilized where possible and designed to reduce physical risk from extreme events while maximizing carbon removal and storage potential. Public funds and incentives should be used to mobilize private investment and create public-private partnerships, such as green banks, tax credits, and government bond offerings.

RECOMMENDATIONS FOR NATIONAL CLIMATE ACTION

Recovery from the economic impacts of COVID-19 presents the United States with a unique opportunity to tackle climate change in a way that catalyzes an equitable, clean, and prosperous economy. Pulling from our experience developing and implementing climate policy, the Alliance offers five recommendations that Congress and the federal government should integrate when developing future climate and recovery policy:

- 1. Ensure climate and energy policy goals are aligned with science;
- 2. Include equity, environmental justice, and family-sustaining jobs at the core of climate and recovery policy;
- Utilize members' experience and knowledge to collaborate in developing national policy frameworks;
- 4. Support state- and territory-level climate change leadership as they respond to and recover from the COVID-19 crisis; and
- 5. Protect members' ambition to go beyond federal standards and formulate and implement policy within their own borders and in coordination with other states and territories.

LEADING THE CHARGE

With or without federal support, Alliance members will continue to demonstrate bold climate action.

Over the past three years we have built our capacity, both within our own states and territories as well as across this bipartisan coalition, to aggressively address the climate crisis despite federal rollbacks. We worked together to develop consistent and nation-leading policy frameworks across our members, while increasing our engagement with Congress and international leaders.

The COVID-19 pandemic has resulted in job losses across the economy, including clean energy and transportation jobs. A renewed effort is needed to put unemployed people back to work while continuing to meet our energy, environmental, and societal goals. This entails increasing access to quality, family-sustaining jobs, government services, and education and training as we look to transition to a low-carbon future. Moving forward, we welcome the opportunity to partner with the federal government to support our efforts to create a future with clean and affordable energy, a low-carbon transportation system, family-sustaining jobs, and a healthy planet.

Alliance members are committed to leveraging our experiences, working with our communities, and partnering with the federal government to help our states and territories rebound in a stronger, more resilient, and more equitable way—all while tackling the ever-growing climate crisis.