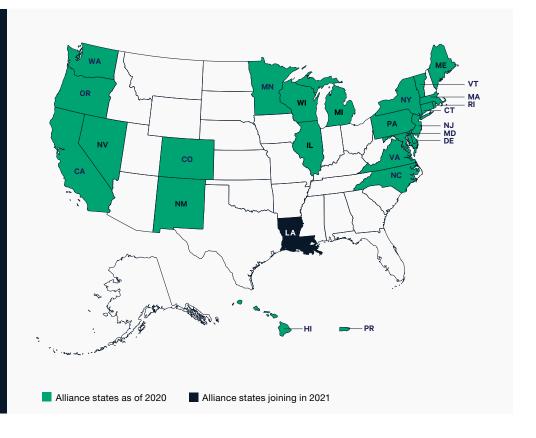


The U.S. Climate Alliance is a bipartisan coalition of 25 governors (MAP ES-1) working together to achieve the goals of the Paris Agreement and keep temperature increases below 1.5 degrees Celsius. Representing 43 percent of U.S. gross greenhouse gas (GHG) emissions, 56 percent of the U.S. population, and 62 percent of the U.S. gross domestic product (GDP), Alliance members are driving the most ambitious collective subnational climate action agenda in our nation's history.

Over the past four years, we have coordinated across state and partisan lines and sectors to leverage our collective market power and transform the U.S. economy, while also backstopping federal rules and fighting off challenges to critical policies and regulations. The Alliance is also forging a new state-federal partnership to help ensure the United States achieves its climate goals and leaders are working together at every level of government.

MAP ES-01 U.S. Climate Alliance Members





REFLECTING ON 2021

Over the past year, our nation has faced and addressed many global challenges. We quickly developed vaccines to address the COVID-19 pandemic, rejoined the Paris Agreement, and continued to expand awareness of long-standing environmental justice and equity issues. At the same time, 2021 is on track to rank among the ten-warmest years on record, with communities across the country continuing to experience major disasters and atypical weather patterns. In its latest report, the United Nations' Intergovernmental Panel on Climate Change (IPCC) finds that the window to avoid further catastrophic conditions is closing and some changes are irreversible, making it clear that the amount of climate change ahead depends on how quickly the world ramps down GHG emissions. Given this urgency, the Alliance joined the Biden Administration in raising our ambition, and in April 2021, committed to collectively achieve overall net-zero GHG emissions as soon as practicable and no later than 2050, and reduce collective net GHG emissions at least 50-52 percent below 2005 levels by 2030.

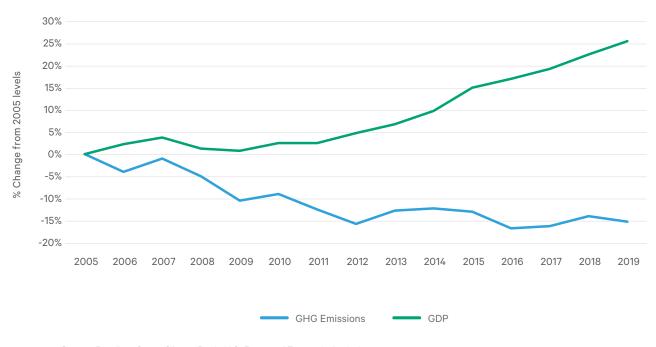
MEASURING OUR PROGRESS

Year after year, Alliance members have proven that economic growth and climate leadership go hand in hand. From 2005 to 2019, Alliance members cut GHG emissions faster than the rest of the country (15 percent vs. 12 percent) while continuing to grow our economies (FIG ES-1). Between 2016 and 2019, Alliance members created more than 133,000 clean energy jobs, a rate that outpaced the rest of the nation. At the end of 2019, Alliance states accounted for 55 percent of all U.S. jobs, yet they supported 60 percent of all clean energy jobs across the country. By switching to cleaner electricity and more-efficient vehicles, Alliance members have also achieved lower levels of harmful local air pollution such as carbon monoxide, nitrous oxide, sulfur dioxide, particulate matter, and volatile organic compounds.

While we have made progress in cutting our GHG emissions, more work needs to be done to put us on a pathway consistent with what science says is needed to avoid catastrophic climate change. According to independent analysis, there is a pathway to achieve our collective climate goals with Alliance members

FIGURE ES-01 Between 2005 and 2019, Alliance members cut their GHG emissions while continuing to grow their economies.





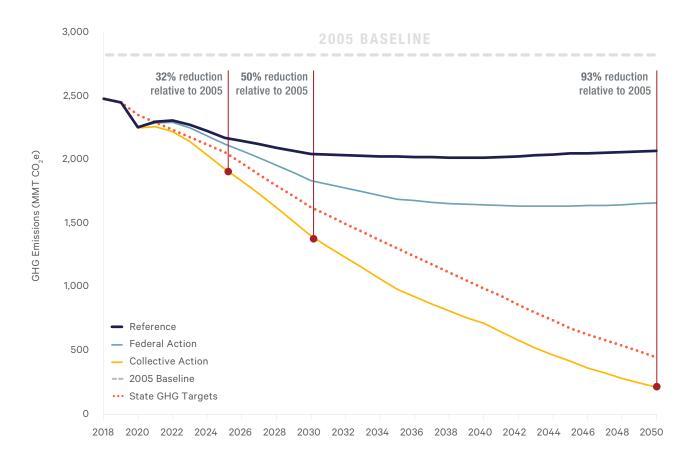
Source: Rhodium Group Climate Deck, U.S. Bureau of Economic Analysis

working in coordination with the federal government (FIG ES-2). Existing state and federal climate-related laws and regulations are projected to reduce collective Alliance emissions 27 percent by 2030 and actions like those being considered by Congress and various federal agencies can drive emissions down further, to 35 percent below 2005 levels by 2030. If all Alliance members put into place policies and programs to meet their individual GHG targets, they would collectively reduce their emissions to 43 percent below 2005 levels by 2030 and 84 percent by 2050, putting our climate goals within reach. However, both states and the federal government will need to continue working

to fill the emissions-reduction gap to make our 2030 and 2050 targets a reality. This includes taking bold action across the economy—from transitioning to zero-carbon energy sources to generate electricity to increasing the efficiency of our buildings, cars, trucks, and industries while using electricity and low-carbon fuels to power remaining demand. It also means reducing leaks of methane and hydrofluorocarbons, enhancing our natural and working lands (NWL) to sequester an increasing amount of GHG emissions, and deploying carbon capture technology on appropriate systems and processes (e.g., cement production).

FIGURE ES-02 Achieving individual state GHG targets will put the Alliance's climate goals within reach, with collective action needed across the economy to fill the emissions gap

GHG EMISSIONS IN THE REFERENCE CASE, FEDERAL CASE, COLLECTIVE ACTION, AND EXISTING GHG TARGETS SCENARIOS, AND THE 2005 BASELINE.



*All emissions reported using AR4 100-year GWP



Photo Credit: New Jersey Governor's Office // Governor Phil Murphy and President Joe Biden meet with families impacted by flood damage left by Hurricane Ida.

FORGING A NEW KIND OF STATE-FEDERAL PARTNERSHIP

Together, Alliance members have built a foundation of ambitious climate action that provides an actionable, bipartisan roadmap for national policy makers and the federal administration. We applaud the climate leadership that the Biden Administration has already shown in its first ten months in office. However, as our analysis shows, additional state and federal action is needed to address emissions sources across the economy. The federal government can continue to look to U.S. states and territories for policies and actions that can be scaled nationally to safeguard public health, protect the environment, drive down emissions, grow the U.S. economy, and create good community- and family-sustaining jobs.

Working together, we can better understand how states can complement and accelerate federal actions and identify opportunities for states to effectively implement federal policies in local contexts. Through this work, we will implement, reinforce, and enhance ambitious state and federal climate actions and help ensure the country builds back better.

DELIVERING ON OUR CLIMATE COMMITMENTS

As the federal government builds a new federal floor to increase national ambition, Alliance members will continue to implement the next generation of bipartisan climate actions so that the federal government can scale them up when feasible. In the past year, Alliance members moved aggressively on all fronts, across all sectors, by:

- Targets and Climate Governance: Setting ambitious near-term GHG emissionsreduction targets, advancing climate governance, and leading by example.
- Just Transition and Equity: Integrating equity and justice across government, centering equity and justice in new policies, and training the next generation of clean energy workers.
- 3. **Power:** Deploying more clean energy, bringing clean energy benefits to all communities, and investing in offshore wind.
- 4. **Transportation:** Accelerating the transition to zero-emissions vehicles, expanding electric vehicle infrastructure, ensuring an equitable transition to a zero-emissions future, and cleaning transportation fuels.
- Buildings and Efficiency: Fostering zero-carbon new building construction, establishing building standards and equipment requirements, and expanding access to capital to retrofit existing buildings.
- Industry: Pioneering innovative industrial policies and programs and investing in cleaner manufacturing.
- Carbon Markets and Pricing: Engaging in and developing carbon markets and valuing climate pollution damages in state utility planning and regulatory actions.
- 8. **Short-Lived Climate Pollutants:** Reducing methane emissions and continuing to lead on hydrofluorocarbons (HFCs).

- Natural and Working Lands: Protecting our natural and working lands by implementing innovative projects and setting ambitious conservation and carbon sequestration goals.
- Resilience: Planning for climate change impacts, enhancing community resilience, financing climate resilience measures, and minimizing climate risk across state operations.
- 11. Climate Finance: Mobilizing private investment in climate and clean energy, increasing the resilience of state investments, increasing transparency and disclosure in the financial system, and accounting for climate risks in the insurance industry.

CONTINUING TO LEAD

While we expand our partnership with the federal government, the Alliance will continue to push forward the next generation of innovative, high-impact, state-led actions. Doing so is necessary to meet our own GHG emissions-reduction targets; make our states more resilient to increasingly severe storms, drought, and wildfires; and bring a wide range of co-benefits to all our communities. This sustained action will also help ensure our country's climate goals are durable and that we continue to make progress and reduce emissions, regardless of who is in power in Congress or the White House.

To guide our work in the years ahead, the Alliance collectively identified eight priority policy areas related to power, buildings, industry, transportation, just transition and equity, resilience, natural and working lands, and the social cost of greenhouse gases. Within each of these priority areas, individual Alliance states committed to more than 40 specific and new high-impact actions that will accelerate GHG emissions reductions and drive the sort of tangible, impactful implementation and results needed to make the U.S. climate targets a reality. These bold new actions include several states committing to: 100 percent net-zero operating emissions for new construction beginning in 2030; 100 percent zero-emissions new light-duty vehicle sales by 2035; implementation of a low-carbon fuel standard to reduce the carbon intensity of fuels; and conserving at least 30 percent of land and coastal waters by 2030.



Photo Credit: Evan Westrup, USCA // Massachusetts Executive Office of Energy and Environmental Affairs Secretary Kathleen Theoharides moderates a discussion at COP26 with Governors Ige, Inslee, and Brown and U.S. EPA Administrator Michael Regan on how the U.S. can secure a net-zero future, safeguard public health, and drive economic growth across multiple industries through a strong, sustained state-federal partnership.

We know the types of actions that are needed to avoid the worst impacts of climate change and adapt to the climate impacts already locked in. While political change is frequent in Washington, D.C., our commitment is unwavering. We will continue to be the stabilizing force across future administrations, working together to develop and adopt the next generation of high-impact bipartisan climate policies, and always aiming for a more equitable, resilient, zero-carbon economy for the American people. The climate crisis knows no borders and when we share solutions and expertise, we can go further and faster together.

UNITED STATES CLIMATE ALLIANCE

For the full report, go to www.usclimatealliance.org
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