

2023 Annual Report: Executive Summary

#### All Hands on Deck

Securing America's Net-Zero Future with State-Led, High-Impact Action



The United States Climate Alliance is a bipartisan coalition of governors committed to securing America's net-zero future by advancing state-led, high-impact climate action (Map ES-1). It is clear that bold action to address the climate crisis cannot wait as Americans experienced a record-breaking number of billion-dollar extreme weather and climate-related disasters this past year. Deadly wildfires devastated communities, unprecedented wildfire smoke blanketed the nation with dangerous levels of air pollution, record heat affected nearly 100 million Americans, and extreme rainfall caused catastrophic flooding. The current crisis only highlights the urgency of the Alliance's work.

As the global community comes together this year to take stock of its progress in fulfilling the goals of the Paris Agreement, the Alliance is doing the same. This report assesses Alliance members' progress toward their collective climate goals and outlines the high-impact actions that states and territories can take, together and in partnership with the federal government, to bridge the emissions gap, achieve the coalition's emissions targets, deliver improved health and economic benefits, and ensure communities are prepared to withstand extreme weather and climate events that will continue to worsen with increased warming.

As the global community comes together this year to take stock of its progress in fulfilling the goals of the Paris Agreement, the Alliance is doing the same.

Executive Summary

## Reflecting on 2023

The Alliance grew and diversified its membership this year, welcoming seven new governors into its ranks following the 2022 midterm elections. Governor Katie Hobbs made Arizona the newest state to join the coalition, while Governors Josh Green (Hawai'i), Maura Healey (Massachusetts), Tina Kotek (Oregon), Wes Moore (Maryland), and Josh Shapiro (Pennsylvania) all continued their states' membership in the Alliance. Earlier in the year, Governor Lou Leon Guerrero made Guam the second U.S. territory to join the coalition. Since 2017, the Alliance has grown to include 25 governors representing every



Arizona Gov. Katie Hobbs



Hawaiʻi Gov. Josh Green



Massachusetts Gov. Maura Healey



Oregon Gov. Tina Kotek



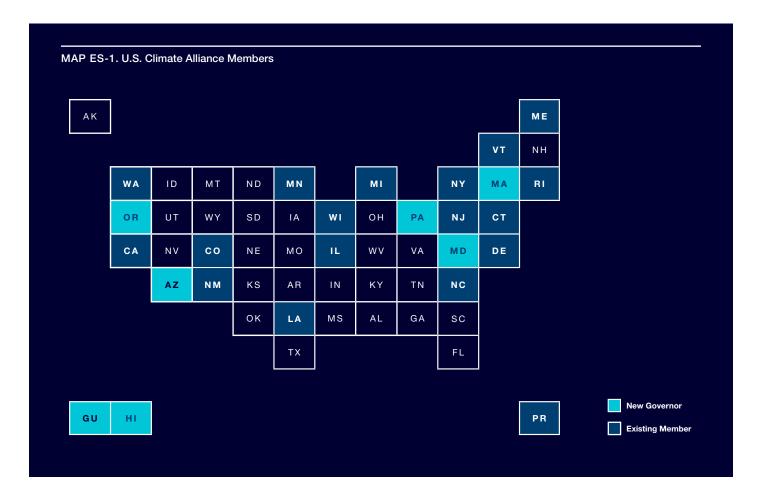
Maryland Gov. Wes Moore



Pennsylvania Gov. Josh Shapiro



Guam Gov. Lou Leon Guerrero



Executive Summary II

region of the country. Alliance members now represent 59 percent of U.S. gross domestic product (GDP), 55 percent of the U.S. population, and 43 percent of net greenhouse gas (GHG) emissions.

In 2023, Alliance members propelled forward some of the boldest and widest-ranging climate actions yet in the face of extreme, climate change-driven weather events. At the same time, Alliance states and territories are working with one another and with local communities to maximize the climate benefits of new and historic federal funding and programs. Alliance governors also continued to use their collective voice to raise the floor of federal ambition and support strong federal climate actions by the Biden administration, including through stringent federal regulations, effective climate program implementation, and development of up-to-date climate tools and resources.



Photo credit: Errol Ebanks, Delaware DNREC at Climate Bill Signing

# Measuring our progress

The Alliance reduced its collective net GHG emissions by 18 percent between 2005 and 2021 (the latest year with complete data), continuing the coalition's trend of declining emissions over 15 years. Alliance members also continued to show the nation that reducing GHG emissions can go hand-in-hand with growing the economy, as evidenced by the nearly 30 percent increase in collective GDP in Alliance states and territories during the same period that they meaningfully drove down GHG emissions.

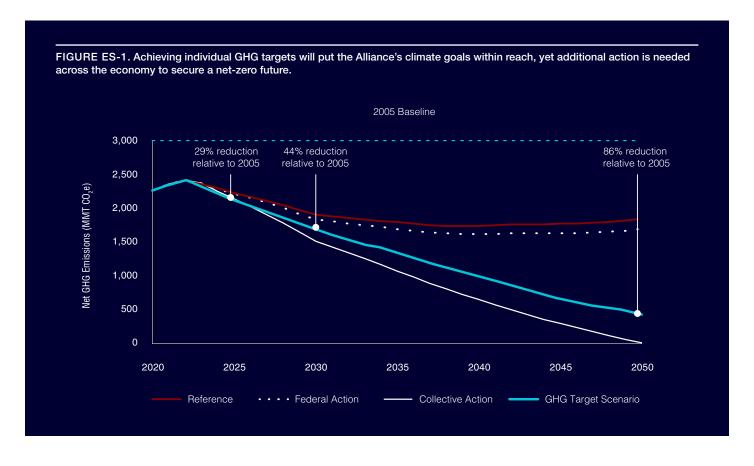
The Alliance has made real progress toward achieving its 2025 GHG emissions reduction target, thanks to state policies and historic federal funding and programs that have been enacted over the past two years. New independent analysis shows that the Alliance is now on track to meet its 2025 GHG emissions reduction goal, with the Alliance currently projected to reduce collective GHG emissions 26 percnt below 2005 levels by 2025.

This new analysis also shows that by working with one another — and in coordination with the federal government — Alliance members can meet collective

emissions reduction goals of reducing net GHG emissions to at least 50-52 percent by 2030 and reaching overall net-zero GHG emissions no later than 2050, both below 2005 levels. Furthermore, if all Alliance members put into place policies and programs to meet their individual GHG targets, collective GHG emissions would fall by at least 44 percent below 2005 levels by 2030 and 86 percent by 2050 (Figure ES-1). Importantly, this analysis shows that investing in a net-zero future can lead to significant net benefits across Alliance states and territories, producing monetary savings from improved public health, reduced spending on fossil fuels, and avoided climate damages that significantly outweigh the costs.

The policies and programs already put in place by Alliance members to generate electricity from cleaner sources, increase the energy efficiency of homes and businesses, and get cleaner and more efficient vehicles on the road are delivering important benefits to communities and businesses across the coalition. In the face of more frequent and more dangerous extreme weather events, Alliance members are also preparing more effectively for climate impacts and executing more pre-disaster planning compared with the rest of the United States.

Executive Summary III



### Continuing to advance bold climate action

Together, Alliance members are deploying a series of bold, high-impact actions — centered around equity, environmental justice, and a just transition — to cut GHG emissions, safeguard public health, grow the economy, and build climate resilience. For example, over the past year, Alliance members have:

- Set new GHG emissions reduction targets to guide their climate priorities, drafted climate action plans that map out how to achieve those targets, and engaged with communities and stakeholders to bolster their climate frameworks.
- Continued to expand electricity distribution and transmission systems and deploy more zero-carbon energy sources to support electrification efforts across the economy.
- Made residential and commercial buildings less polluting and more energy efficient, including collectively committing to quadruple heat pump installations across the coalition by 2030.

- Increased their focus toward addressing industrial sector emissions and investing in innovative and competitive domestic manufacturing.
- Expanded access to cleaner and lower-cost vehicles and charging infrastructure while reducing vehicle miles traveled (VMT).
- Established equitable and inclusive systems and tools to facilitate the transition of local economies toward decarbonization.
- Developed and deployed equitable state plans to help prevent climate-related disasters and ensure communities are prepared to withstand and recover from future extreme events.
- Continued to plan for, incentivize, and deploy natural climate solutions in partnership with rural and agricultural communities.
- Incentivized cost-effective emissions
  reductions by setting prices or caps on carbon
  pollution as well as expanded the use of the
  social cost of greenhouse gases (SC-GHG)
  to help inform policy decision-making.

Executive Summary IV



Photo Credit: U.S. Climate Alliance

### Partnering with the federal government to speed America's net-zero transition

While Alliance members had already been developing and implementing crucial climate policies and programs in their state capitals, passage of the *Inflation Reduction Act* (IRA) — paired with significant climate infrastructure investments passed by Congress in 2021 — marked the beginning of a transformative chapter in U.S. climate action. As primary implementers of the IRA, states and territories are essential to delivering on its promise and took important steps this year to harness its historic investments to build healthier communities and tackle the climate crisis.

Alliance governors also used their collective voice to raise the floor of federal ambition. The coalition kicked off the year by calling on the Biden administration to advance a series of additional federal climate actions that will support states and accelerate the nation's transition to a net-zero future. In a letter to President Biden, the Alliance laid out more than 20 specific actions the federal government can take to cut emissions across sectors, and throughout the year, continued to partner closely with the administration to support effective deployment of federal executive authority on climate. The Alliance's engagement included providing detailed recommendations on the development of federal programs, policies, and regulations; establishing innovative new partnerships; and facilitating state-federal convenings to collaborate on, scale up, and inform ambitious climate solutions across government.

#### Looking ahead to 2024 and beyond

As unprecedented wildfire smoke, record heat, and catastrophic flooding swept across the country this year, Alliance governors were reminded of the crisis facing their states and territories and the urgency of their work. More action is needed across all sectors of the economy to make the coalition's long-term collective climate goals a reality and to ensure that all communities are more resilient to future extreme weather events expected under current warming conditions. Doing so will deliver even more health and economic benefits above and beyond what Alliance members have already achieved. With this in mind, and with renewed resolve and focus, Alliance members will continue working with one another and the federal government to take the next generation of actions to ensure a safe and healthy planet for all.



Executive Summary V