



California Governor Proposes \$12B Climate Change Mitigation Push

By Richard Nemec | January 13, 2020

California Gov. Gavin Newsom has allocated up to \$12 billion over the next five years to support climate change mitigation measures, targeting wildfires and various energy transformation efforts.

A budget proposal issued Friday includes a “comprehensive approach” to California’s investments to protect the environment, addressing the effects of climate change, and promoting “resiliency,” a new subject of focus, Newsom said.

The budget would earmark \$12 billion over the next five years to a proposed climate resilience bond, cap-and-trade expenditures aimed at transitioning to a carbon-neutral economy, and a Climate Catalyst Fund to promote new technologies, especially by small businesses and emerging industries.

Newsom described the Climate Catalyst Fund as a billion-dollar undertaking administered by the state’s Infrastructure and Economic Development Bank to help finance investments in low-carbon transportation, sustainable agriculture and waste diversion through low-interest loans.

Newsom proposed capitalizing the fund with \$1 billion from the state’s general fund over the next four years. “The new fund will have a revolving loan structure that will leverage private capital and will support projects well into the future,” said a spokesperson for the administration.

The budget would include a \$2 billion program to fight catastrophic wildfires, including funding for a 12% increase in the current 4,800 permanent firefighters at California Department of Forestry and Fire Protection, adding 555 new positions.

State Transportation Secretary David Kim outlined programs in the budget to address fuels, vehicles and vehicle miles traveled by state fleets in 2020-21, including \$1.4 billion for a greenhouse gas emissions fund for public transit and other highway and rail projects.

Kim estimated that about \$400 million also would be available to spur the transition to more low-carbon fuel use, particularly in heavy duty trucks, in addition to separate funding for various low- and zero-emission technologies, such as fuel cells and electric vehicle charging stations.

The Coalition for Clean Air charged that Newsom has proposed a “debilitating cut” for clean transportation. The coalition contends that the new budget knocks \$485 million out of the California Air Resources Board’s low carbon transportation budget.

“We are disappointed in today’s proposal, and we call on the governor to do better,” said Coalition Policy Director Bill Magavern. Projects would be chosen based on their ability to meet California’s environmental goals and the need to access low-cost borrowing. Applicants would also need to show how their projects will create high-quality, good-paying jobs for the workers they hire.