Maximizing the Benefits Of Climate Investments

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Mapping California's Energy and Climate Policy Priorities



EXECUTIVE DEPARTMENT STATE OF CALIFORNIA

PROCLAMATION OF A STATE OF EMERGENCY

WHEREAS Californians are experiencing the impacts of climate change firsthand, from droughts to wildfires to heatwaves to floods to rising seas to mudslides to vanishing snowpacks; and

WHEREAS the effects of climate change threaten the health and safety of Californians, as well as the State's access to clean and reliable energy; and

WHEREAS in April, May, and July 2021, I proclaimed states of emergency because of severe drought conditions in 50 counties; and

WHEREAS because of drought conditions, water supplies in California's reservoirs have dropped to levels so low that hydroelectric power plants have had to reduce or cease production, leading to a reduction of nearly 1,000 megawatts of capacity and further exacerbating the drought's impact on California; and

WHEREAS in June and July 2021, I proclaimed states of emergency because of record-breaking extreme heat events that hit California and other Western states, increasing residents' demand and putting significant demand and strain on California's energy grid; and

WHEREAS at the same time as the July 2021 Extreme Heat Event, the Bootleg Fire in Southern-Central Oregon threatened the California-Oregon Intertie, which delivers power from the Pacific Northwest into California, and reduced electricity supply into California by almost 4,000 megawatts; and

WHEREAS many other transmission lines are located in high fire threat areas, including lines located in other states on which California depends, and thus wildfires are likely to continue impacting California's energy supply unpredictably during this wildfire season; and

WHEREAS because of the accelerating and compounding effects of continuing wildfires, ongoing drought, and extreme heat conditions caused by climate change, California currently faces an additional projected energy supply shortage of up to 3,500 megawatts during the afternoon-evening "net-peak" period of high power demand on days when there are extreme weather conditions, which is even greater than projected in May 2021; and

WHEREAS in July 2021, the California Independent System Operator (CAISO) sought additional resources for summer 2021 through its Capacity Procurement Mechanism but sufficient resources were not available to make up for the projected shortfall; and



Investing in Innovation - Public and Private

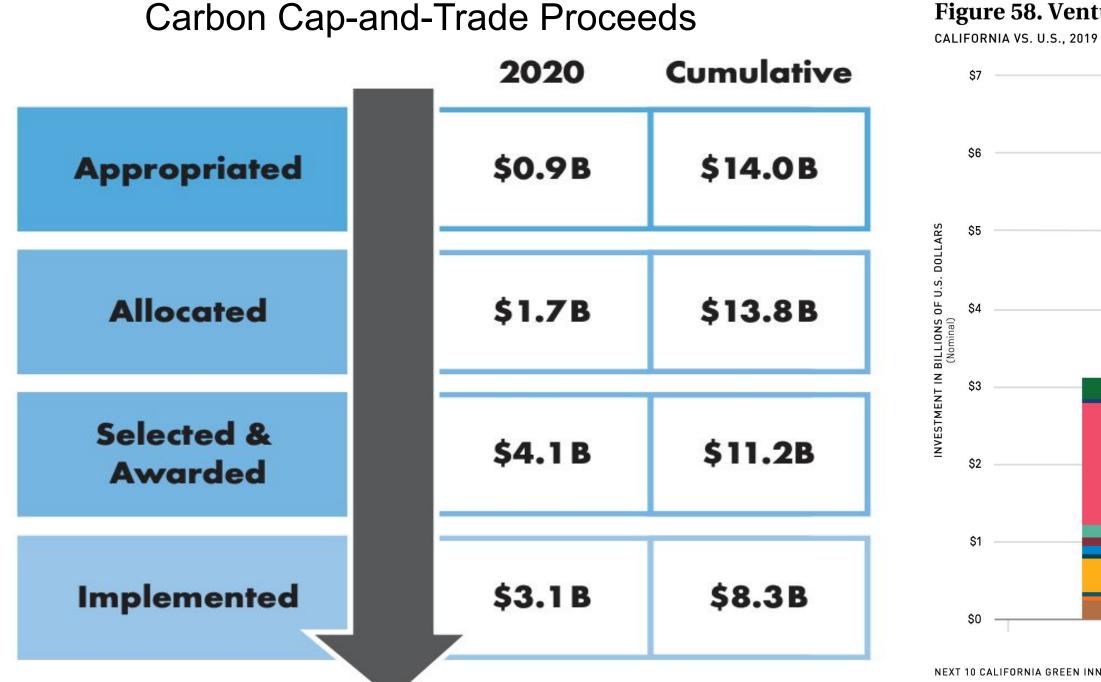
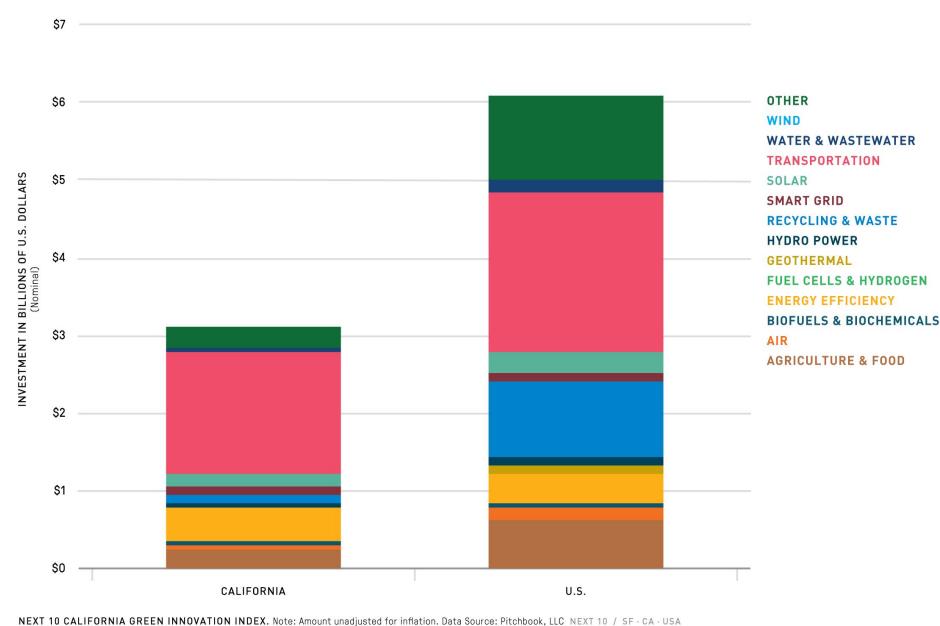


Figure 58. Venture Capital Investment in Clean Technology by Segment

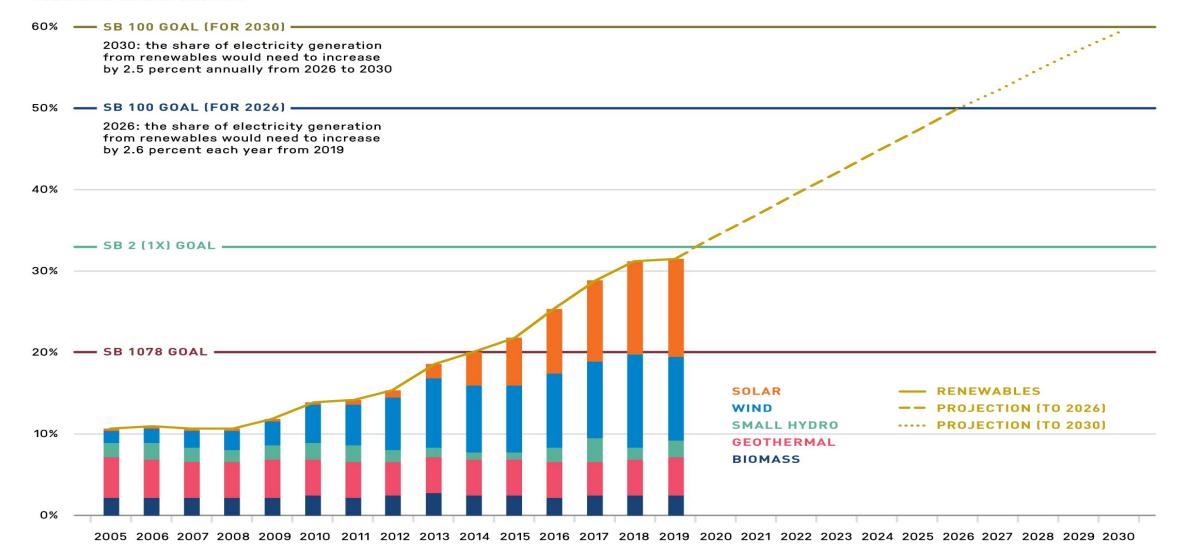


Source: https://ww2.arb.ca.gov/sites/default/files/classic//cc/capandtrade/auctionproceeds/2021 cci annual report.pdf; 2020 California Green Innovation Index, Next10.org

Lessons from the Growth of Clean Electricity in California

Figure 38. California's Path to 60% RPS Goal by 2030

ASSUMING LINEAR GROWTH



NEXT 10 CALIFORNIA GREEN INNOVATION INDEX. Note: Renewables do not include large hydros. Data Source: California Energy Commission; U.S. Department of Energy, Energy Information Administration.

NEXT 10 / SF · CA · USA

Key Policy Drivers of California's Success:

- Clear, Strong Commitments
- Open, Competitive Procurements
- Support for a Range of Technologies
- Attention to Investability Fair Pricing and Long-Term Contracts
- **Strong Corporate Commitments**

Source: 2020 California Green Innovation Index, Next10.org

What Do We Mean By "Maximizing"?

For Whom?

- Where do we see the best

 examples of *inclusive*planning that embed the

 equity interest?
- How does more participation deliver tangible benefits to priority communities?

With Whom?

- A major increase in private capital commitment is needed across all sectors
- How do we enable that private investment while protecting our social and environmental principles?

By When?

- The need for faster action is scientifically and ethically undeniable
- But we are already behind schedule in essentially every industry vertical
- How do we increase the "speed limit" of implementation while holding

true to our other values?

