



February 21, 2023

The Honorable Toni Atkins
President Pro-Tempore
California State Senate

The Honorable Anthony Rendon
Speaker of the Assembly
California State Assembly

The Honorable Nancy Skinner
Chair, Senate Budget Committee
California State Senate

The Honorable Phil Ting
Chair, Assembly Budget Committee
California State Assembly

The Honorable Josh Becker
Chair, Senate Budget Subcommittee 2
California State Senate

The Honorable Steve Bennett
Chair, Assembly Budget Sub 3
California State Assembly

Subject: Climate and Energy Resilience Recommendations for the FY 23-24 Budget

Dear President Pro-Tempore Atkins, Speaker Rendon, Senator Skinner, Senator Becker, Assemblymember Ting, and Assemblymember Bennett,

We understand that the State is facing a potential large shortfall of revenue this year. We are writing to request that you restore the approximately \$6 billion in proposed cuts to climate as well as energy reliability and resilience investments. We believe that these cuts will hinder the state's ability to meet its climate goals and the goals of SB 100 for 100% clean energy and grid reliability. We also believe some of the proposed cuts will disproportionately harm vulnerable communities who are on the frontlines of climate impacts, and result in far greater human, economic, and environmental costs in the future. These expenditures should not be viewed as costs, but rather as investments, which by stimulating economic activity and job creation will generate additional revenue for the state. Multiple analyses have found that investing significantly more sooner in decarbonizing our economy will save dollars and lives down the road.¹ With climate impacts rapidly worsening, we cannot afford to invest less today.² If anything, we must invest more, sooner, in accelerated, equitable climate solutions.

¹ https://energyinnovation.org/wp-content/uploads/2021/01/Cost_of_Delay.pdf;
<https://www.ethree.com/new-e3-reports-quantify-the-health-benefits-of-reducing-fossil-fuel-use-in-california/>; <https://www.wri.org/blog/2020/07/economic-benefits-climate-action-us>

² <https://www.washingtonpost.com/climate-environment/2023/02/16/doom-loop-earth-climate-change/>

Critical climate and energy-related budget cuts or delays that should be rejected include but are not limited to:

- \$900 million cut from clean energy investments, including:
 - \$270 million cut from programs supporting residential solar and storage
 - \$87 million in funding cut from building decarbonization programs
- \$1.2 billion cut from nature-based solutions initiatives, including:
 - \$100 million cut from urban greening programs
 - \$60 million cut from urban forestry programs
 - \$15 million cut from the healthy soils program
 - \$325 million from the coastal protection and adaptation program
 - \$5 million from the composting opportunities program
- \$1.1 billion cut from zero-emission vehicle programs
- \$370 million for building decarbonization to be delayed that directly supports projects aimed at reducing greenhouse gas emissions in homes and advancing energy equity

At a time when the California electric grid faces reliability issues as evidenced on September 6, 2022 when the state narrowly averted a rolling blackout, it does not make sense to cut funding for clean distributed energy assets that can add urgently needed additional capacity and flexibility to the grid.

In December, The Climate Center sent a [letter](#) outlining recommendations to ensure state investments in zero-emission vehicles also support grid reliability as “batteries on wheels,” so we are disappointed to see \$1.1 billion in cuts to programs that would accelerate California’s transition to clean, electric vehicles. These investments are key to ensuring low income Californians have access to cleaner technologies and improving air quality. Not only is transportation the number one source of climate pollution in the state, but clean transportation incentives will also yield better air quality, public health, jobs and other benefits. For example, California’s growing fleet of electric cars, trucks, and buses should be one of our greatest assets in improving the reliability of our electrical grid while also reducing threats to community health. Investing in vehicle-grid integration technologies today will unlock the potential to use batteries in electric vehicles to back up our homes and businesses when the grid goes down.

California needs to fulfill the promises and commitments made to clean transportation programs in prior budgets, as well as invest in clean mobility going forward, to create a dedicated and stable funding stream for clean transportation for years to come. The legislature must avoid significant budget cuts and whipsaws in funding for climate investment programs which creates market and program uncertainty.

We're also dismayed to see some of the largest cuts being made to nature-based carbon sequestration initiatives. With the passage of [AB 1757](#) last year, California is poised to become a world leader in solutions that both remove carbon from the atmosphere and build resilience to extreme weather like excessive heat, drought and flooding. Slashing the funding for everything from urban greening to compost application undercuts this important work just as it's getting underway. This is particularly troubling as the current budget proposal cuts \$735 million from extreme heat and community resilience programs when the science tells us that we will be crossing the dangerous 1.5 C degree threshold for severe climate impacts sometime in the next decade³.

Recent science also suggests that the need to reduce greenhouse gas emissions and remove past carbon pollution from the atmosphere is more urgent than previously thought⁴ - what UN Secretary-General António Guterres calls "code red for humanity." And yet according to a [United Nations report](#) if all the countries meet their voluntary commitments under the Paris accord, global greenhouse gas emissions will rise by 10.6% by 2030 compared to 2010 levels.⁵ California needs to be a beacon of leadership on this issue, both because we have the ability to do so and because our state is so susceptible to dangerous climate impacts, especially for our frontline communities.

We understand that you face difficult decisions on the budget this year, and we beseech you not to cut or delay spending to address the crisis that is upon us and that disproportionately impacts vulnerable communities and people of color. We urge you to reject cuts and delays in the state's climate investments, wisely allocated by the state in prior years. We request that you work with community leaders, NGOs and researchers to identify alternative solutions to the pending budget shortfall.

As UN Secretary General Guterres recently warned, we must "act decisively before it is too late" including cutting emissions in half by 2030 and stopping the "relentless, senseless war on nature." He called 2023 "a year of reckoning. It must be a year of game-changing climate action. We need disruption to end the destruction."⁶

³ <https://www.pnas.org/doi/10.1073/pnas.2207183120>

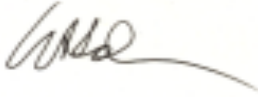
⁴ Lenton, et al. Climate tipping points — too risky to bet against: The growing threat of abrupt and irreversible climate changes must compel political and economic action on emissions. *Nature*. Nov 27, 2019; ScienceDaily, Nine climate tipping points now 'active,' warn scientists Nov 27, 2019

⁵ Gloria Dickie, Reuters, Oct 26, 2022 <https://www.reuters.com/business/environment/cop27-world-track-increase-emissions-106-by-2030-un-report-2022-10-26/>

⁶ <https://news.un.org/en/story/2023/02/1133192>

Working together, we will build a more prosperous and equitable economy, and protect our communities and our environment, while demonstrating to the world that we can secure a climate-safe future for all.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ellie Cohen', with a long, sweeping underline.

Ellie Cohen
CEO, The Climate Center

Cc: The Honorable Gavin Newsom, Governor of California
State Capitol Building
Sacramento, CA 95814