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# Lessons Learned from State-Level Climate Policies to Accelerate U.S. Climate Action

## BACKGROUND

The 2020 election delivered unified Democratic control of Congress and the Presidency following a period of deep political retrenchment at the federal level. In an era of growing public urgency for climate action from legislative and executive leaders, many advocates and policymakers see an opportunity for transformative change in US climate policy.

The first two years of the Biden Administration delivered some historic gains—and some mixed results. The successes included first-of-its-kind emission reduction investment legislation in the [Inflation Reduction Act](#)<sup>1</sup> (IRA) and [Infrastructure Investment and Jobs Act](#)<sup>2</sup> (IIJA) as well as [steady but measured rulemaking progress](#)<sup>3</sup> across environmental agencies, but a landmark [Supreme Court decision](#)<sup>4</sup> limited federal regulatory authority to address climate change. And now that the 2022 election has returned a narrowly split U.S. Congress, further climate action is now firmly in the hands of the Executive Branch and the newly created investment programs.

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*This brief was prepared by Ted Lamm, Louise Bedsworth, and Ken Alex of UC Berkeley's Center for Law, Energy & the Environment (CLEE).*



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These federal developments—unprecedented investments and limited regulatory action—increase the importance of activity at the state level. States, long the driver of climate action in the U.S., have continued to make steady progress even in the absence of comprehensive federal action. Progress at the state level has ranged from initial [clean energy](#)<sup>5</sup> and [climate action](#)<sup>6</sup> plans to [ambitious new emissions reduction legislation](#)<sup>7</sup> and the [first phaseout of gas-powered automobiles](#).<sup>8</sup> In light of both the historic opportunities and challenges ahead at the federal level, these state climate policy experiences have the potential to accelerate federal action and investment.

To identify state lessons learned that also can inform federal climate policymaking, the Wilson Center’s Environmental Change and Security Program (ECSP) and University of California, Berkeley’s Center for Law, Energy and the Environment (CLEE), in partnership with the Henry M. Jackson Foundation, engaged state and federal leaders for a series of dialogues. This policy brief highlights the key findings from these discussions—and offers a set of strategies for state and federal leaders to make the most of new investments in climate action.

## STATE CASE STUDIES: CALIFORNIA, LOUISIANA, AND WASHINGTON

Examples of accelerating state climate action abound. [Eight states](#)<sup>9</sup> have already set 100 percent

renewable electricity targets, and [up to 15 states](#)<sup>10</sup> (representing nearly 40 percent of U.S. vehicle sales) are potentially in line to adopt California’s plan to phase out new gas-powered automobile sales by 2035. Yet beneath these headline targets lie a wide range of political contexts and policymaking strategies that drive them. In some cases, Democratic supermajorities are enacting net carbon neutrality legislation. Other states have seen their governors’ offices issue initial clean energy strategies.

In the dialogues on state activity, ECSP and CLEE sought to explore the scalability of different policies, as well as the contrast between piecemeal/stepwise and comprehensive/integrated approaches, and which strategies can be implemented to break down government silos to advance implementation.

### California: Advancing State Policy through Place-Based Action

After a decade of aggressive state-level climate action, [California leaders are increasingly turning to place-based approaches](#)<sup>11</sup> to planning and investment. These strategies implement state policy objectives while meeting the needs and priorities of local communities, with a particular focus on lower-income and rural areas that have experienced systemic exclusion and are most vulnerable to the economic and environmental disruptions of climate change.





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In California, this approach begins with frameworks that identify and map communities with the greatest pollution and socioeconomic burdens. These tools include the state's [CalEnviroScreen](#)<sup>12</sup> platform, as well as [city](#)<sup>13</sup> or [county](#)<sup>14</sup> alternatives that are tailored to local factors. A growing number of state climate and environmental programs are specifically designed to reach these communities, once identified, including a [requirement](#)<sup>15</sup> that 25 percent of the state's [cap-and-trade program proceeds](#)<sup>16</sup> directly benefit residents who live in them.

The centerpiece of California's approach is the [Transformative Climate Communities](#)<sup>17</sup> program, which invests cap-and-trade funds in community- and city-scale plans to reduce emissions and drive sustainable, resilient growth. The program relies on a collaborative stakeholder structure to implement the investments, which already have included over \$300 million distributed in ten cities—and even more local and private matching funds. The result is a key step in comprehensive climate policymaking by forging direct links between state climate programs, local emissions reduction and resilience, and public and private investment in economic development.

### **Louisiana: Leading with Resilience**

Louisiana's Climate Initiatives Task Force issued the state's first-ever [Climate Action Plan](#)<sup>18</sup> in 2022, setting an ambitious target of net-zero emissions by

2050, and accounting for the state's high share of emissions from its industrial and fossil fuel sectors within it. The plan also acknowledges Louisiana's unique human and economic vulnerability to climate impacts, including sea level rise and extreme storms. Louisiana's Climate Action Plan is designed to complement the state's [Coastal Master Plan](#),<sup>19</sup> a protection and adaptation strategy instituted after Hurricane Katrina.

By directly linking climate efforts with longstanding resilience plans—including a core section on natural and working lands and wetlands—the Climate Action Plan has the potential to advance emissions reduction policies in a state where there is limited political support for more traditional clean energy activities. As leaders at state agencies and in local governments initiate climate action under the 2022 plan, they can lead with multi-benefit mitigation and resilience strategies that draw upon the Coastal Master Plan's unanimous legislative approval and strong voter support.

### **Washington: Pairing Market-Based and Environmental Justice Measures**

In 2021, Washington enacted two companion market-based policies: the [Climate Commitment Act](#),<sup>20</sup> which created a state-level cap-and-trade program; and the [Clean Fuel Standard](#),<sup>21</sup> a credit-based program for transportation fuel emissions





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reductions. Simultaneously, state leaders passed the [Healthy Environment for All Act](#)<sup>22</sup>—perhaps the most comprehensive single climate legislation package ever adopted in the United States. The act requires environmental justice consideration in agency rules and investment decision-making, advances environmental health mapping efforts, and initiates new community and tribal engagement processes, incorporating into a single piece of legislation multiple strategies implemented over the past decade in piecemeal fashion by other states.

By simultaneously enacting market-based and environmental justice strategies, Washington’s legislature and governor rapidly accelerated the state’s climate action agenda while creating an ambitious regulatory and investment agenda for key state agencies. They also quickly built a broad and diverse coalition in support of these strategies (and, potentially, a broad group of opponents). As the state’s agency leaders finalize rulemakings and begin implementation, the benefits and challenges of this fast-moving and ambitious approach will become apparent.

## LESSONS LEARNED FOR FEDERAL CLIMATE ACTION

In a moment when the scope of federal climate action may be limited to the recently enacted investment programs, what can those entrusted with national policymaking and implementation learn

from states that are making progress? Our dialogues revealed seven key takeaways:

- **Executive action can drive clean energy transition planning and set an agenda for public, private, and community stakeholders in the face of legislative inaction.** Wisconsin’s [2022 Clean Energy Plan](#)<sup>23</sup> is the state’s first effort to establish a clean energy pathway after decades of inaction, and it was issued in the face of state legislative hostility to climate action. The plan creates the first venue for state leaders to engage in robust climate and environmental justice policy development, and following the passage of the IRA, it also gives them a framework to obtain and deploy new federal climate funds.
- **Adequate state capacity and resources are vital to maximize use of new federal climate investments.** While states like California with decades of climate action have developed implementation capacity across multiple energy and resilience agencies, other states with limited agency staff capacity may struggle to write competitive grants and effectively deploy IRA and IJA funds. These staff will also be key to development of post-IRA state climate action plans that accurately account for the availability of substantial new





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federal funds, such as state and local “green bank” funds through the Greenhouse Gas Reduction Fund.

- **Equity and environmental justice require comprehensive approaches.** These pathways for action include data collection and mapping; stakeholder coalition-building; workforce development from forest management to building decarbonization; and place-based climate investment programs that focus on lower-income and underserved communities. Clear guidance from the federal government on implementing [Justice40](#)<sup>24</sup> will help states achieve this goal.
- **Flexibility, technical assistance, and clear baseline information in federal programs are key to meet states’ needs.** Since states are approaching climate investment from a range of policy and capacity starting points, new federal investment programs should provide technical resources and include flexible application criteria to ensure that diverse jurisdictions (and not just those that are farthest along the clean energy transition pathway) are able to use federal funds in locally appropriate ways. In addition, federal leaders should create and advertise [clear resources](#)<sup>25</sup> to help state legislators understand the opportunities (and eligibility, timelines, and more) under IRA and IIJA. These actions can also make the case for funding new state and local grant-seeking and implementation capacity.
- **Streamlining contracting, grant, and environmental review processes can accelerate deployment of funds.** California’s Natural Resources Agency has developed single-permit processes, obtained funds to increase partner agency staff, reduced contract review processes from weeks to days, and consolidated environmental review processes for wildfire resilience and forest management projects. These improvements came in response both to recent devastating wildfire seasons and state budget surpluses. Many of these updates were carried out through emergency authorities and helped reduce the severity of the state’s 2022 wildfire season. They could offer a model for similar projects at the federal level.
- **State-federal partnership is crucial for resilience investments.** Louisiana’s Coastal Master Plan has empowered state leaders to proactively plan coastal resilience and restoration investments. This change in state approach has enabled them to make use of federal funds as soon as they become available—providing vital capacity for projects



that rely on federal support and cannot wait for the market to develop funding capacity.

- **Coordination with communities can avoid project silos.** California's Transformative Climate Communities program uses community-based planning and project development to fund local climate initiatives with cap-and-trade revenues. This approach ensures that large-scale state-supported investments advance local needs rather than prioritizing agency jurisdiction and existing program areas. Federal leaders should give preference to similar approaches when crafting new grant programs for IRA and IIJA funding.

## ADDITIONAL RESOURCES

- The [California Climate Investments Annual Report](#)<sup>26</sup> offers an overview of the nation's most significant state-level emissions reduction and resilience investment program, funded with greenhouse gas cap-and-trade program proceeds.
- CLEE's 2022 report [Funding San Francisco Climate Action](#)<sup>27</sup> provides a playbook for how local governments can equitably fund and implement ambitious climate action plans.
- Executive Orders by California Governors [Schwarzenegger](#),<sup>28</sup> [Brown](#),<sup>29</sup> and [Newsom](#)<sup>30</sup> have led directly to pioneering state legislation on emissions reduction, carbon neutrality, and vehicle electrification, among other policies.
- The National Caucus of Environmental Legislators' [Inflation Reduction Act Briefing Book](#)<sup>31</sup> is one of many resources that state and local leaders can use to identify best-fit funding opportunities and programs in the new legislation.
- UCLA's Luskin Institute has issued [progress reports](#)<sup>32</sup> analyzing the initial years of California's Transformative Climate Communities program.
- The U.S. Forest Service's [Good Neighbor Authority](#)<sup>33</sup> program provides a model for cooperation and streamlining across state and federal jurisdictions.
- Washington's [Improving Air Quality in Overburdened Communities Program](#)<sup>34</sup> and California's [Community Air Protection Program](#)<sup>35</sup> show how states can pair market-based emissions reduction programs with local public health initiatives.

## ACKNOWLEDGEMENTS

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