State Climate Policy Trends and Opportunities

March 12th 2:00pm ET

Introduction

Kristen Soares

State Climate Policy
Network Manager

CLIMATE X CHANGE
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State Climate Policy Network

Network of **15,000+**

- ➔ State and local elected officials
- ➔ NGO advocates
- ➔ Researchers
- ➔ State agency staffers
- ➔ Organizers and activists
- ➔ Business leaders

... working on state climate policy

www.climate-xchange.org/network

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Pro Bono Policy Assistance

We specialize in state climate policy design and analysis.
Reach out to kristen@climate-xchange.org with your requests on:

- **Example states** and **model rules** for a given policy
- **Gap analysis** of your state's climate policy landscape
- **Connections** to other actors working on similar issues

Or, check out our **State Climate Policy Dashboard**, which tracks 65+ state-level climate policies and relevant resources across all 50 states.

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2025 State Climate Policy Trends and Opportunities

Ava Gallo
Climate and Energy Program Manager, National Caucus of Environmental Legislators

Ruby Wincele
Policy & Research Manager, Climate XChange

Alicia Zhao
Research Manager,
Center for Global Sustainability at the University of Maryland

Agenda

1. 2025 Trends
2. State Climate Policy Opportunities & Modeling
3. Q&A

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Speaker

Ava Gallo

Energy and Climate Program Manager

National Caucus of Environmental Legislators

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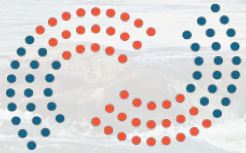
The National Caucus of Environmental Legislators



NCEL

National Caucus of
Environmental Legislators

Who Is NCEL?

- Nationwide network of over 1,200 legislators from all 50 states and both major parties.
- Serves as a connector for legislators to collaborate across the country.
- Your remote environmental staff.
- Created by and for state legislators.
- National, regional, and state forums.

NCEL's Program Areas

Climate & Energy

Conservation

Environmental Health

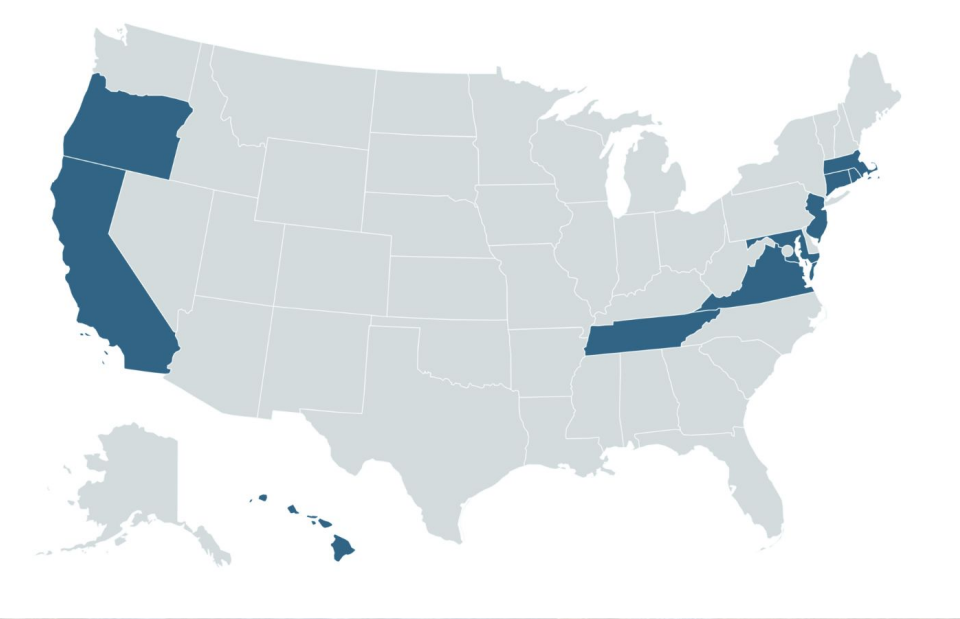
Ocean

Environmental Justice

Polluter Pays Legislation

- Following example of VT & NY requiring fossil fuel companies to pay into a superfund account
  - Supports adaptation & mitigation projects some with a focus on disadvantaged communities

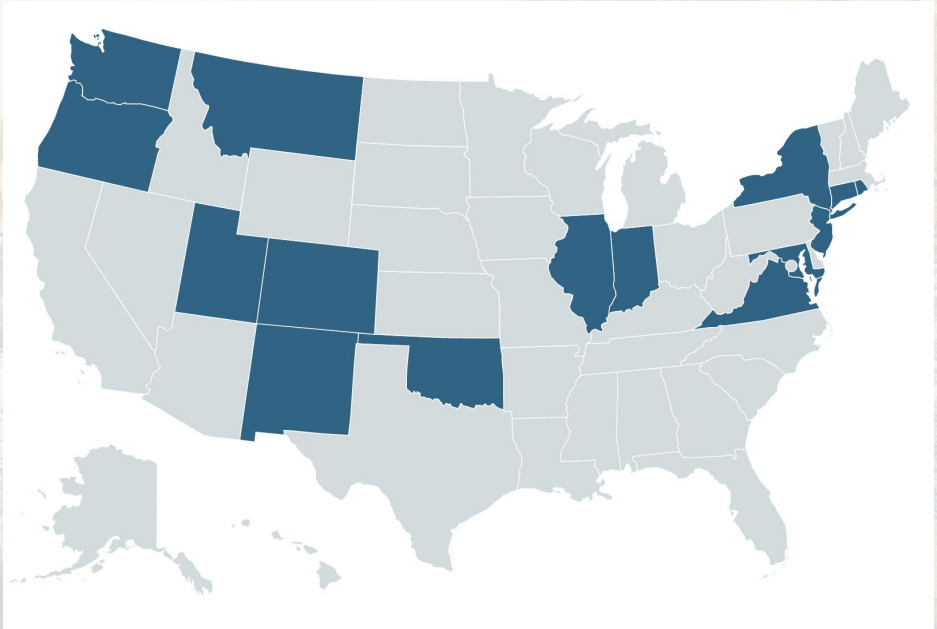
- Other states are creating a private right of action for individuals to sue fossil fuel companies for damages from climate change
  - Hawaii, California, Oregon, & New York



States who've introduced superfund legislation in 2025

Transmission

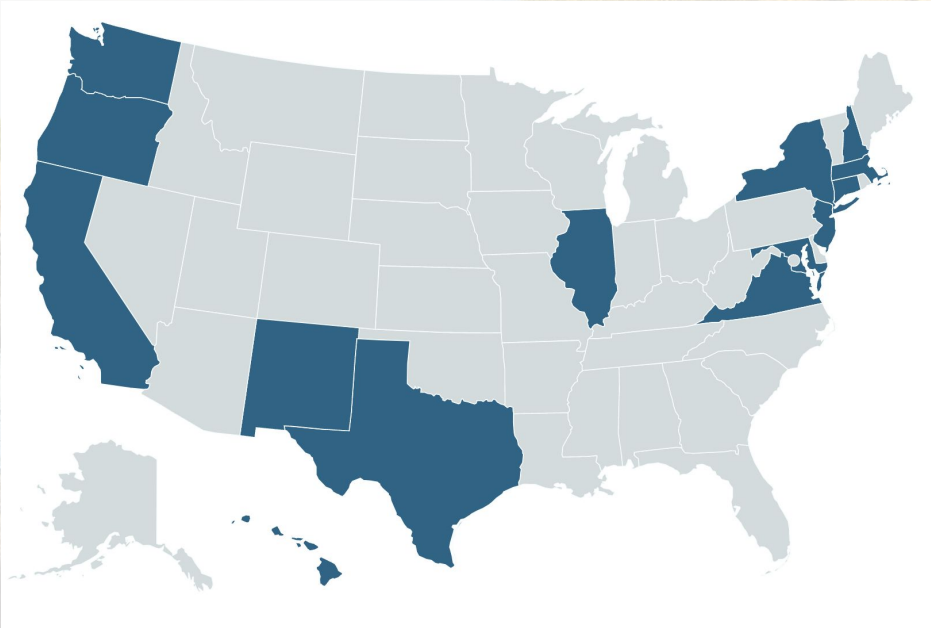
- Grid-enhancing technologies & advanced reconductoring
- Transmission Siting and Permitting
  - **New York** (S 4066), **Maryland** (HB 0645), **Illinois** (HB 3779), **Rhode Island** (HB 5573), **Colorado** (HB 25-1292), and **Washington** (HB 1237 / SB 5246)
- Transmission Authorities
  - **Washington** (HB 1673 / SB 5466), **Oregon** (HB 2628), and **Montana** (HB 314)



States who've introduced GETs legislation in 2025

Microgrids & Virtual Power Plants

- Microgrids and Virtual Power Plants (VPPs) are two emerging energy technologies that can promote grid resilience, energy independence, and renewable energy
- Amidst grid instability and high electricity prices can provide an alternative



States who've introduced microgrid or virtual power plant legislation in 2025

Data Centers

- Bipartisan data center legislation in states across the country to monitor and create:
  a. Transparency
  b. Ratepayer Protections
  c. Demand Side Solutions
  d. Clean Energy Requirements
- Policy Highlight:
  a. **GA S.B.34**: mandates that costs incurred by electric utilities due to the high demand of commercial data centers must be recovered solely from those centers or prorated based on demand, rather than being included in general utility rates.
  b. Bipartisan sponsorship, passed committee

DOT Reform

- Inspired by previous passage in MN & CO
- Sets a GHG and VMT cap for projects funded by the State Departments of Transportation
- Requires mitigation efforts like investments in public transit, complete streets, etc
- Introduced in Illinois, Maryland, New York, and likely to be introduced in Maine

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Speaker

Ruby Wincele

Policy & Research Manager

Climate XChange

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Community solar

40 bills across 17 states

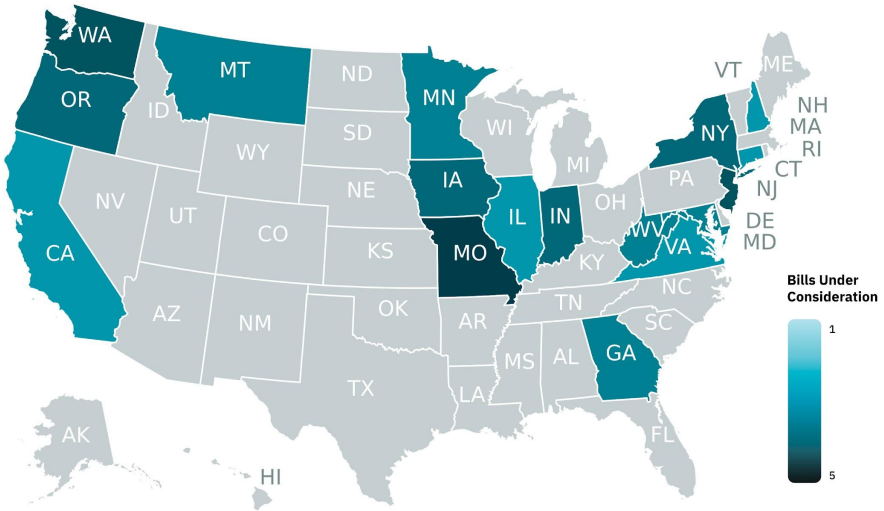
Expanding Existing Programs by increasing program capacity, expanding customer eligibility

- 10 states: California, Connecticut, Maryland, Minnesota, New Hampshire, New Jersey, New York, Oregon, Virginia, and Washington
  - California AB 1260: Requires at least 51% of a project's capacity to serve low-income customers

Establishing Pilots and Programs

- 6 states: Georgia, Indiana, Iowa, Missouri, Montana, and West Virginia

These bills build on the foundation that 47 states have established so far



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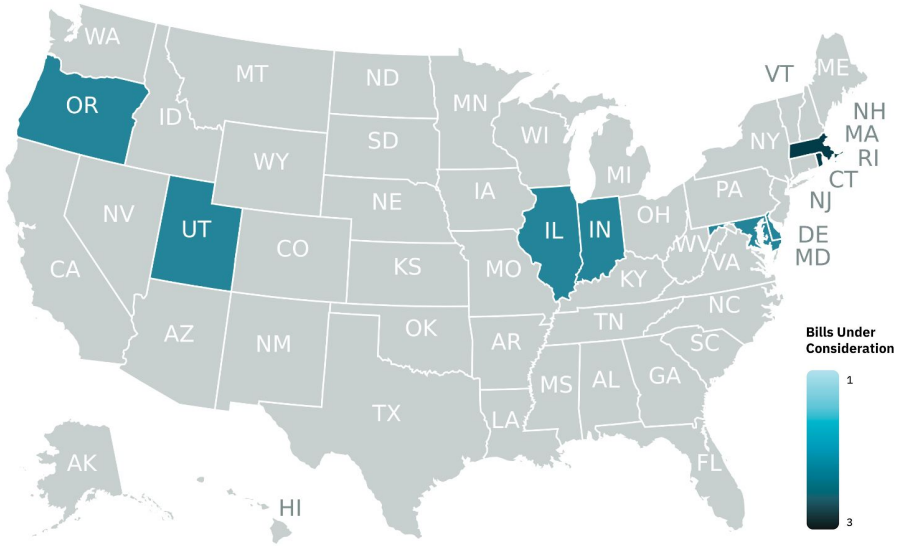
Utility Reform

12 bills across 8 states

Prohibiting utilities from charging their customers for political activities and certain other expenses, such as trade association dues, education, charity, and lobbying

- 8 states: Delaware, Illinois, Indiana, Maryland, Massachusetts, Oregon, Rhode Island, and Utah
- Bill in Rhode Island would prohibit public utilities from including advertising expenses in their base rates, unless the advertising is informational or educational and promotes public safety or conservation.

This follows legislation enacted in 2023 by **Colorado, Connecticut, and Maine**, and several bills introduced in 2024.



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Environmental Justice Bureaucracy

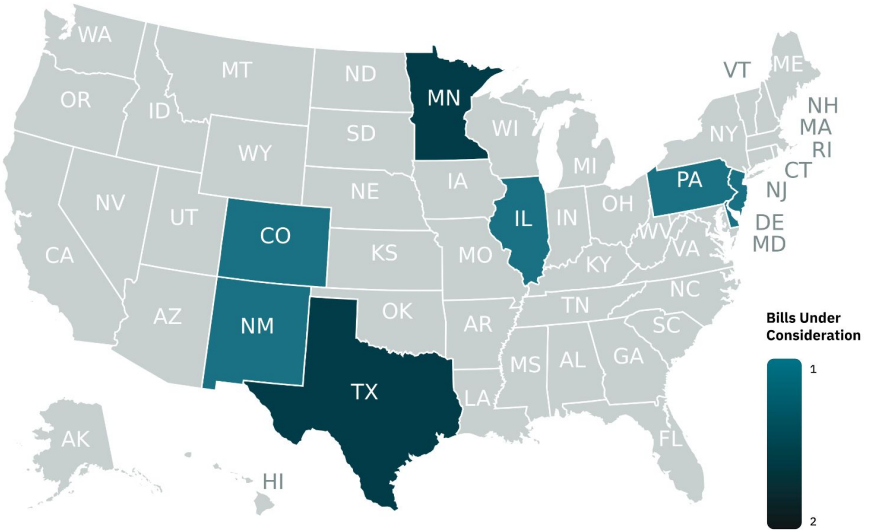
10 bills in 8 states

New EJ Offices, Staff, and Directives

- 5 states
- EJ Offices and Staff: Texas (SB 561), Minnesota (HF 186 and SF 817), New Jersey, Pennsylvania
    - Illinois SB 1686 expands the responsibilities of the existing Office of Environmental Justice
- Incorporating EJ impacts into agency rules: New Mexico

EJ Advisory Bodies

- 2 states
- New EJ Bodies: Texas (HB 859) would create a Texas Environmental Justice Advisory Council and an EJ Review Board to advise the Council
- Expanding or extending existing EJ Advisory Bodies: Colorado and Delaware



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Just Transition Plans, Offices, and Advisory Bodies

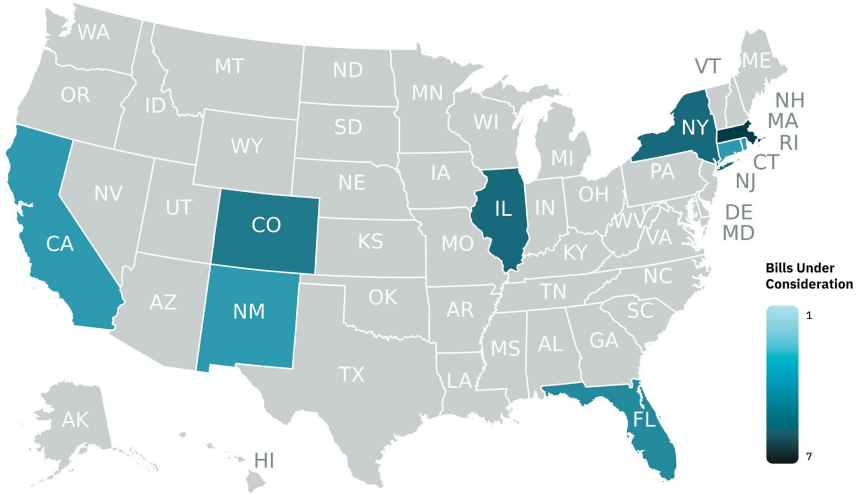
24 bills in 9 states

Just Transition Plans

- 5 states
- Statewide plans: Connecticut, Florida, Illinois, Massachusetts, and New York
    - **Florida SB 1496/HB621:** Creates a Renewable Energy Workforce Development Advisory Committee, responsible for providing recommendations for how the state can support displaced energy workers transitioning to clean energy
- Utility-specific: Massachusetts (gas transition)

Just Transition Bureaucracy and Funding

- 5 states: Colorado, Massachusetts, New Mexico, and New York



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Other Trends

Building Decarbonization and the Gas Transition

- Requiring all-electric new construction
- Clean Heat Standards
- Building Performance Standards
- Thermal Energy Networks (TENs) and gas transition pilots
- Ending gas pipeline subsidies and replacement requirements

Transportation

- Low Carbon Fuel Standards
- VMT and/or GHG Reduction Targets

Cross-Cutting

- Aligning planning processes with climate and clean energy goals: utility planning, “future of gas proceedings,” transportation system planning
- Prioritizing GHG reductions in EJ communities and considering cumulative impacts

Electricity

- Siting and Permitting reform: local vs. state control, expediting permitting approval, considering impacts to natural and working lands
- Encouraging renewable energy development on brownfields, parking lots, mines, and landfills

Industry

- Methane Regulations for oil and gas operations and/or landfills

Speaker

Alicia Zhao

Research Manager,
Center for Global Sustainability at the
University of Maryland

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SCHOOL OF PUBLIC POLICY
CENTER FOR GLOBAL SUSTAINABILITY

How subnational action can deliver a high-ambition 2035 emissions trajectory in the United States

Alicia Zhao
Research Manager
Center for Global Sustainability
University of Maryland

March 12, 2025

Representing non-federal policy action in U.S. climate pathways

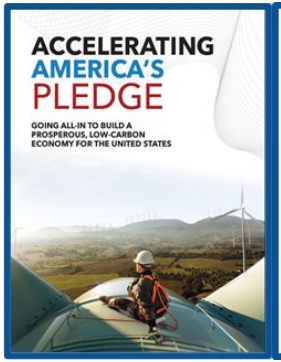
- Collective policy platform development through extensive stakeholder consultation
- Detailed modeling of concrete policy actions via a field-leading, open-source global Integrated Assessment Model with 50-state resolution in the U.S.
- Documentation of assumptions and methods in peer-reviewed publications

2019:
49% emissions reductions by 2030

2020:
Peer-reviewed publication of All-In modeling approach

2021:
At least 50% reductions by 2030

2022:
52% emissions reductions by 2030




Article | Open access | Published: 16 October 2020

Fusing subnational with national climate action is central to decarbonization: the case of the United States

Nathan E. Hultman, Leon Clarke, Carla Frisch, Kevin Kennedy, Haewon McJeon, Tom Cyrs, Pete Hansel, Paul Bodnar, Michelle Manion, Morgan R. Edwards, Ryna Cui, Christina Bowman, Jessie Lund, Michael I. Westphal, Andrew Clapper, Joel Jaeger, Arijit Sen, Jiehong Lou, Devashree Saha, Wendy Jaglom, Koben Calhoun, Kristin Igusky, James deWeese, Kareem Hammoud, ... John O'Neill

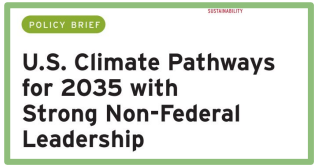
+ Show authors

Nature Communications 11, Article number: 5255 (2020) | Cite this article

9202 Accesses | 43 Citations | 81 Altmetric | Metrics

2024:
65% emissions reductions by 2035

54-62% emissions reductions by 2035



Stakeholder engagement process for 2035 NDC analysis

CENTER FOR GLOBAL SUSTAINABILITY

From March - July 2024, **12 stakeholder** listening sessions across multiple sectors, including participants from **federal, state and municipal government, industry, civil, society, and academia**.

12
Listening Sessions

5 in-person
7 virtual

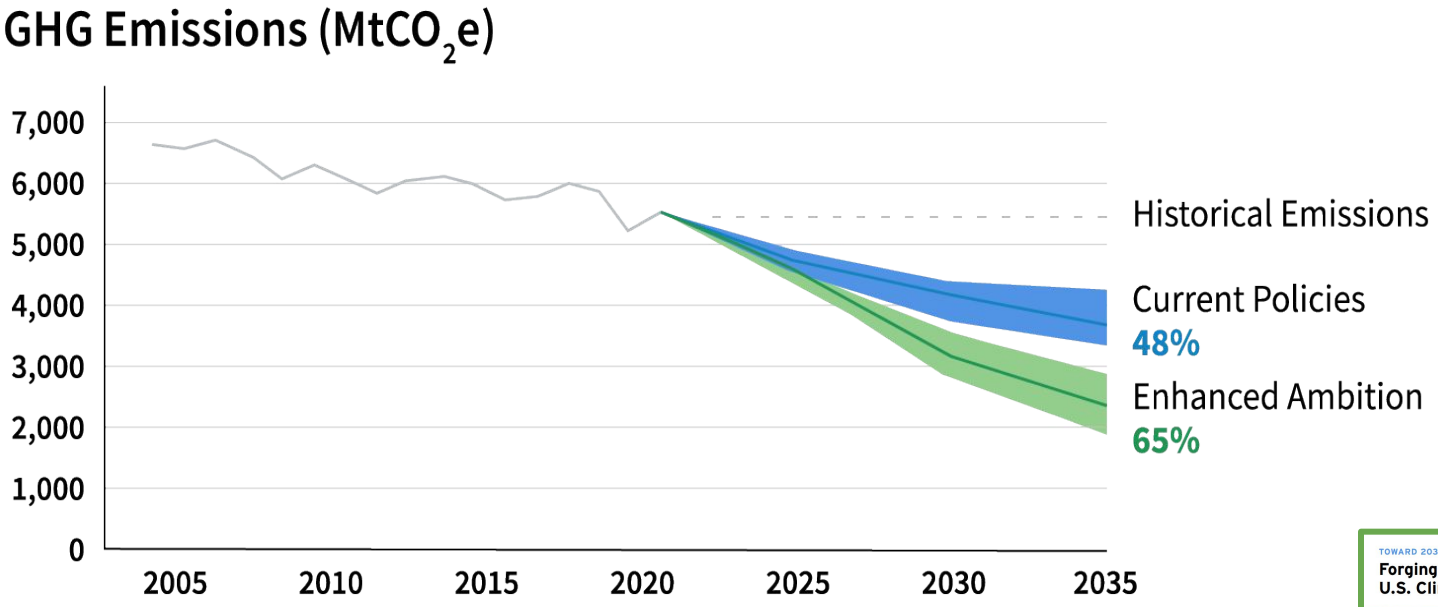
214
Attendees

including John Podesta, Mayor Lyles, Mayor Rhodes-Conway, and Gina McCarthy

140
Organizations

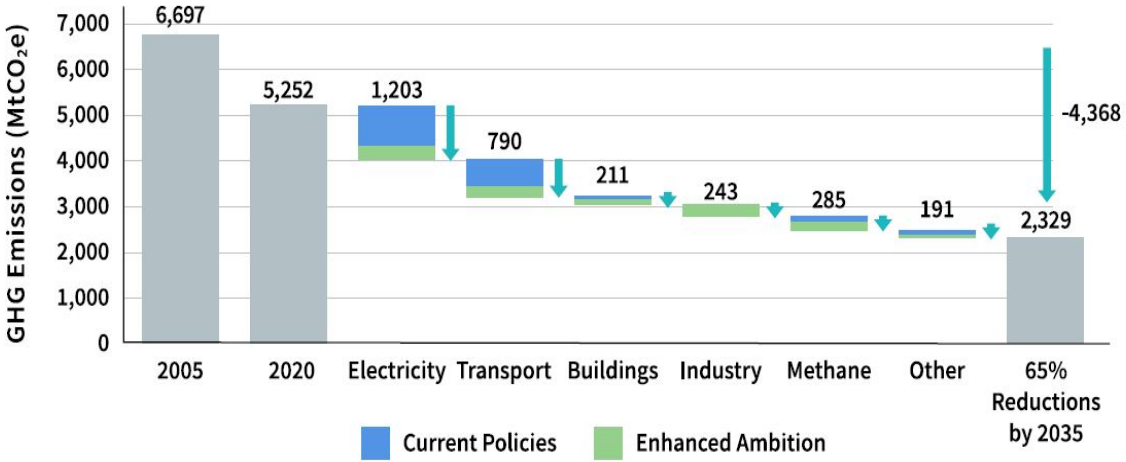
40% corporate
48% nonprofit
12% government

2035 Economy-wide pathways



Zhao, A., K. O'Keefe, S. Kennedy, M. Binsted, C. Dahl, C. Squire, K. Ordonez Olazabal, A. Bryant, J. Snarski, D. Churlyaev, S. J. Smith, G. Chalef, N. Hultman, and R. Cui (2024). "Toward 2035: Forging a High-Ambition U.S. Climate Pathway". Center for Global Sustainability, University of Maryland. 68 pp

Sectoral emissions reductions



Under the *Enhanced Ambition* scenario, **the electricity sector and transport sectors have the largest emissions reductions** between 2020 and 2035

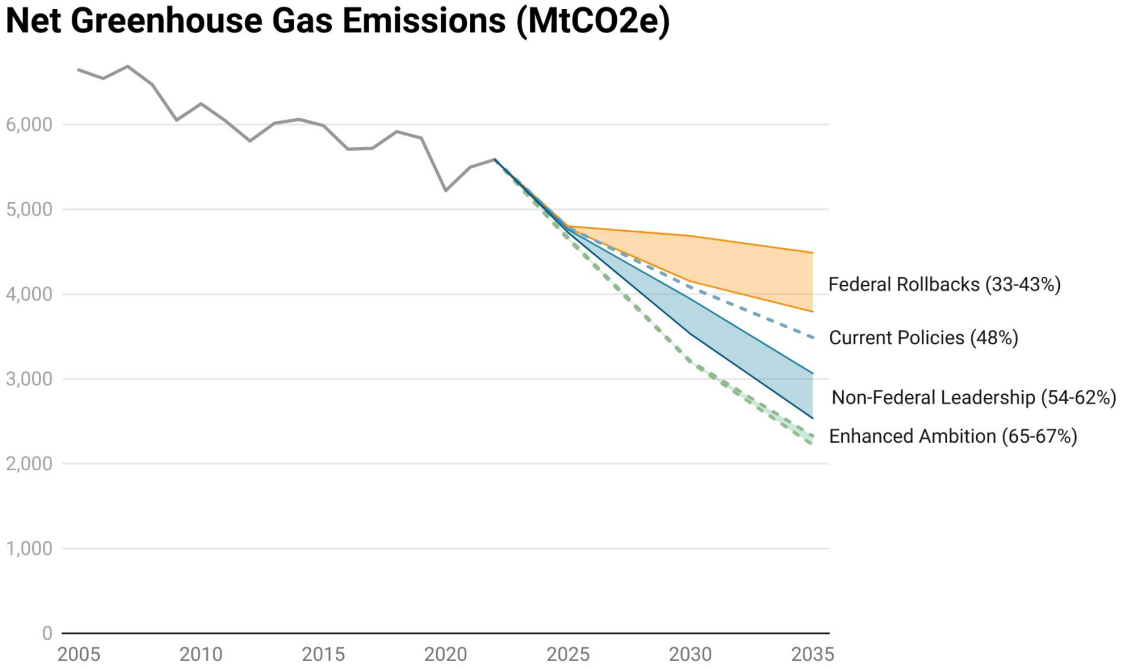
However, **reductions are needed across all sectors** to achieve 65% overall GHG emissions reductions by 2035.

Zhao, A., K. O'Keefe, S. Kennedy, M. Binsted, C. Dahl, C. Squire, K. Ordonez Olazabal, A. Bryant, J. Snarski, D. Churlyaev, S. J. Smith, G. Chalef, N. Hultman, and R. Cui (2024). "Toward 2035: Forging a High-Ambition U.S. Climate Pathway". Center for Global Sustainability, University of Maryland. 68 pp

Non-federal leadership has the potential to counteract much of federal inaction or rollbacks and help achieve the U.S. NDC

Under enhanced non-federal actions and varying levels of federal climate policy rollbacks or inaction, **the United States could achieve 54-62% GHG emissions reductions by 2035**, making it possible to achieve the 2035 U.S. NDC.

However, if non-federal actors maintain existing policies under federal rollbacks, the U.S. could only **achieve 33-43% GHG reductions.**



Zhao, A., K. O'Keefe, C. Squire, K. Ordonez Olazabal, A. Bryant, J. Snarski, M. Binsted, and R. Cui (2024). "U.S. Climate Pathways for 2035 with Strong Non-Federal Leadership". Center for Global Sustainability, University of Maryland.

“Non-Federal Leadership” modeling assumptions

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Federal Ambition		Non-Federal Ambition
Low ambition  **High ambition**	**Existing regulations + legislation** repealed after 2025	***Enhanced policies*** • Enhanced state-level renewable and clean electricity targets • Widespread adoption of California’s EV sales targets • Vehicle miles traveled reduction policies • Oil and gas methane intensity standards • Increased waste diversion efforts • Building efficiency and electrification standards • Industry carbon capture and sequestration targets
	Existing regulations repealed after 2025	
	Freeze: existing policies maintained	
	Re-engagement: existing policies maintained + enhanced policies after 2028	

Challenges and barriers

Overarching themes

- Legal challenges for federal, state, local policies
- Uncertainty around policy implementation and uptake
  - Education and outreach
  - Capacity constraints
  - Feasibility and accountability
- Regional cooperation
- Cross-sectoral collaboration
- Lack of state-led incentives and anticipatory investments

Sector-specific

Streamlined permitting & siting processes

Inadequate transmission and EV infrastructure

Reducing vehicle miles traveled

Scalability of new technologies

Split incentives

Various climate actions can be implemented by states, cities, businesses and more to accelerate transition in each sector

Electricity

Ramp up clean energy & phase out fossil fuels

Investments in transmission, storage, grid modernization

Clean energy targets

Permitting reform

Carbon pricing

Coal securitization

Clean energy workforce

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Transport

Increase EV adoption while reducing VMT

EV sales targets

Tax credits and rebate programs

Investments in EV infrastructure

Highway funding reconsiderations

Expansion of public transit programs

Promotion of micromobility

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Methane

Increase targeted abatement across sectors

Oil and gas intensity standards

Leak detection and repair programs

Bans on routine flaring and venting

Plugging orphan and idle wells

Manure management practices

Zero-waste targets & landfill regulations

Conclusions & ongoing analysis

- The U.S. has made **significant progress toward its near-term climate targets** through federal legislation, regulations, and increased ambition from non-federal actors.
- Federal leadership is critical, but **non-federal actors can still drive significant progress**, especially in scenarios where federal policies are weakened.
- We are developing new analyses to quantify the broad societal benefits of low-carbon transition that resonate more strongly at local levels, such as health, investment, jobs, income, economy, etc.

Q&A

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Thank you for joining!

Reach out to kristen@climate-xchange.org with any additional questions!

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