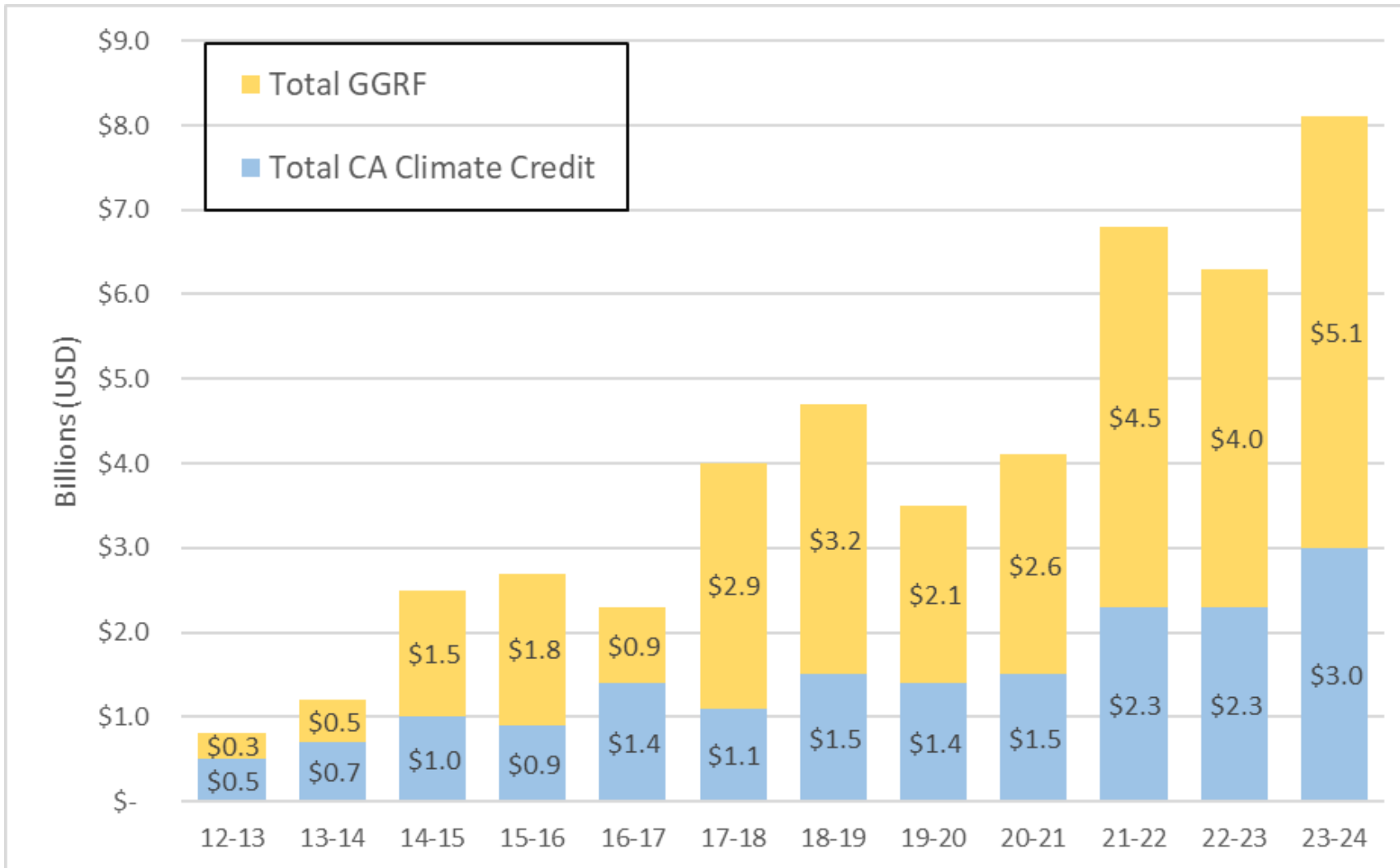


Analyzing cap-and-trade program investments

Senate EQ and Budget Sub 2 Hearing – 05/08/2025

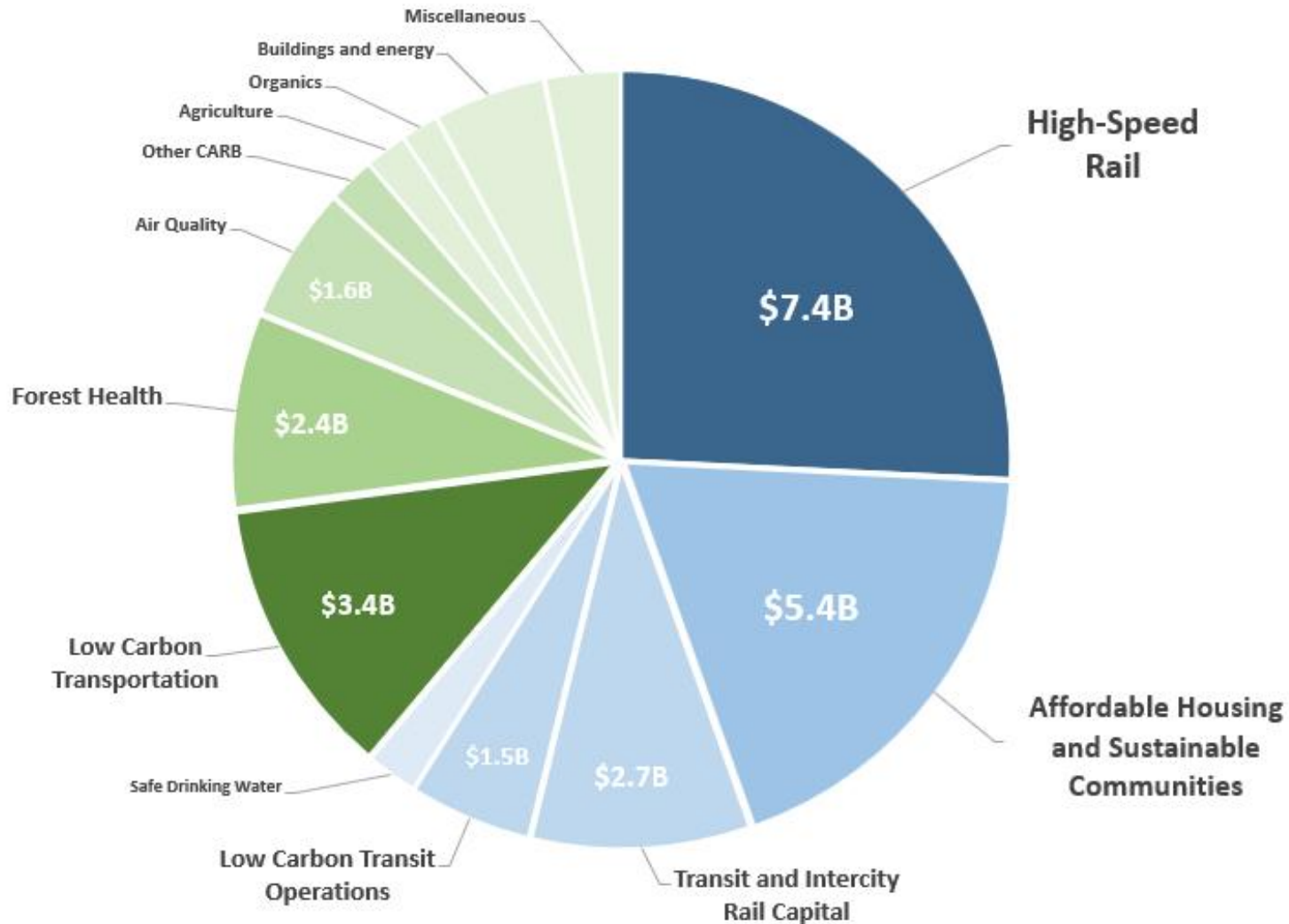
Summary of total expenditures



Key takeaways

- Total: \$50B:
 - Credit: ~\$20B
 - GGRF: ~\$30B
- Recent years:
 - Credit: \$2-3B/yr
 - GGRF: \$4-5B/yr
 - **Total: \$6-8B/yr**

Summary of GGRF allocations



Key takeaways

- Total 90 programs at 24 state agencies
- ~65% is continuous (blue) per [SB 862](#) (2014)
- Per CCI data:

Allocated	\$28.7B
Implemented	\$15.4B
TBD	\$13.3B

Assessing performance

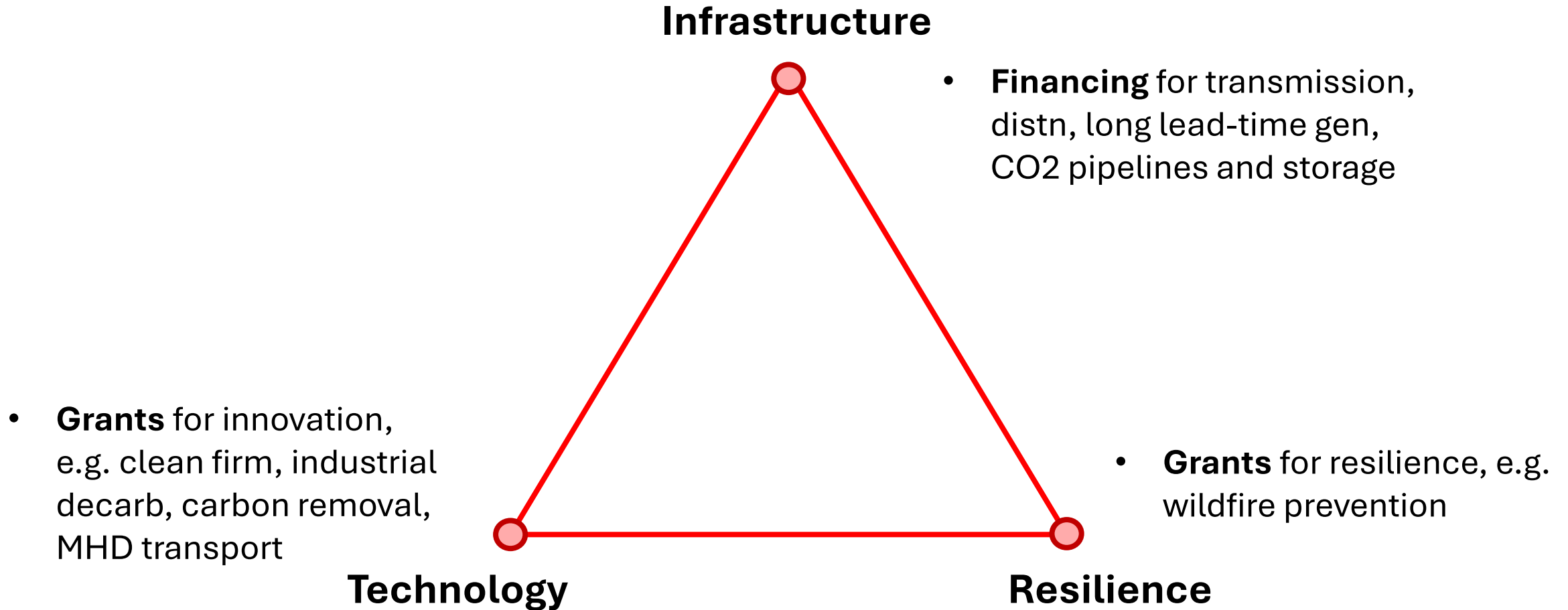
- **California Climate Credit:**

- ~\$3B allocation = ~\$10/month electric bill savings for IOU customers (PG&E, SCE)

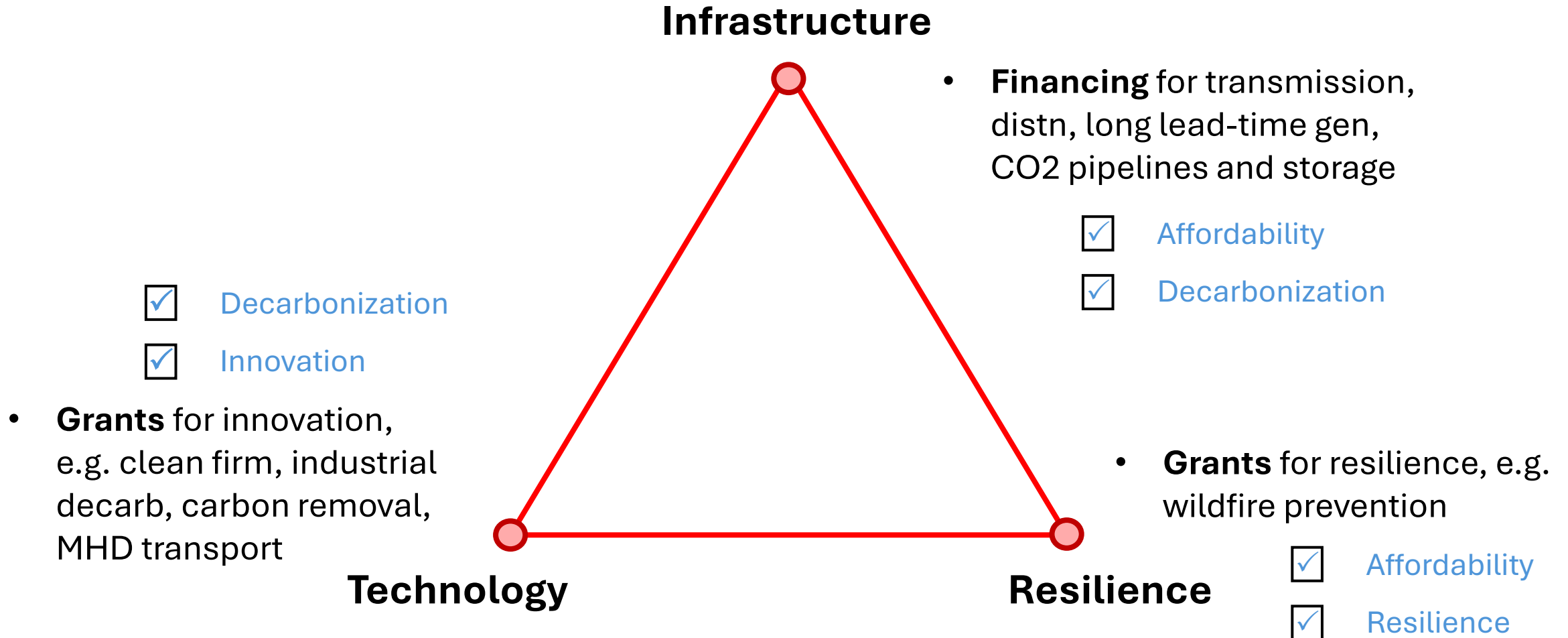
- **Greenhouse Gas Reduction Fund:**

- Some cost-effective programs; but more than 50% either: a) cost above \$1,000/ton, or b) generate zero GHG reductions
- Current continuous allocations (HSR, Affordable Housing, Transit) not identified as priorities in the 2022 Scoping Plan

“Affordable Net-Zero” reallocation



“Affordable Net-Zero” reallocation



Opportunity for Infrastructure Fund

- Identifying opportunities for **low-cost loans, guarantees and recoverable grants** can allow funds to be revolved
- **Example:**

• 20% allocation (\$1B/yr) to Fund for five-years	= \$5B fund by 2030
• Revolved every 3-years	= \$25B by 2045
• Leveraged private capital	= \$125B (assume 5x)

\$5B revolving fund mobilizes \$150B in total capital

Further background:

- [Data analysis of cap-and-trade program investments](#) (updated: May 2025)
- [A clean energy infrastructure plan for the GGRF](#) (April 2025)
- [Strengths and limitations of California's cap-and-trade program](#) (March 2025)
- [Aligning GGRF with the 2022 Scoping Plan](#) (September 2024)