[This is the second-to-last post in a series expressing my view of why California's actions on climate change are so important and how they will change the world. The <u>introductory</u> <u>post</u> provides an overview and some general context.]

As discussed in the previous blog posts, through the ARB Scoping Plan, the 5 pillars of climate action set out by Governor Brown in his 2015 State of the State address (50% RPS, double energy efficiency in buildings, cut oil use in transportation in half, limit SLCPs, and make working and natural lands carbon sinks rather than sources), and the 2 additional pillars (resilience, carbon capture), California has an economy-wide blueprint to reduce GHG emissions by 40% in twelve years. The question is how to ensure that those actions have an impact far beyond the state borders.

California will continue to focus on action in the state. Success will promote further action. Technology breakthroughs will be exported. We see that with renewables, storage, and zero emission vehicles. California is an innovation engine that can drive both technology and cost.

California needs to continue to promote and promulgate smart regulations. The state's modest procurement requirement for energy storage has had a worldwide impact. Done well, regulations and mandates provide incentives, stability, market signals and promote the creation of industries. Without the RPS, for example, renewable energy would not have developed in the same manner or as quickly.

While the focus of action is within the state's borders, California also needs partnerships both in state and outside. California's <u>cap and trade market</u> is linked with Quebec and Ontario, but adding more jurisdictions will increase its impact. <u>China</u> has now started its nationwide cap and trade market, with a significant assist from California. It is too soon to consider direct linkage of the markets, but the Chinese market launch reflects the outsize impact of California's actions. In conjunction with the <u>World Bank</u>, California is also working with jurisdictions in North and South America on expanding carbon markets in the region.

We also need to target the most effective and most promising actions, and speed their adoption. Solutions often take too long to get to scale. I discussed the Under2 Coalition and other partnerships in the previous blog post. These are essential for establishing pilot programs, building templates, scaling responses to climate change.

This year, California will provide the global showcase for action and solution – the Global Climate Action Summit in San Francisco, on September 12-15, 2018. That's the subject of

the next and final blog post in this series.

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