

Last year, Congress took its first big step into climate policy by passing blockbuster spending measures. Nonetheless, many states are ahead of the Feds in climate policy. There were important developments in a multitude of states.

California remained a hotspot for climate action. In terms of transportation emissions, the California Air Resources Board (CARB) approved regulations banning the sale of new gas and diesel vehicles by 2035. The law contains important milestones: 35% zero emission vehicles in 2026 and 68% in 2030. Several states are legally committed to follow the CA standard. This agency action has already triggered regulation.

The California legislature enacted a major package of laws, including measures that will require the state to become carbon-neutral by 2045 and produce 90% of its electricity from clean sources by 2035. The legislature also decided to keep the Diablo Canyon nuclear plant open for now.

Across the country in Massachusetts, sweeping new climate legislation directs investment toward renewables, the power grid, and stationary storage. The law also includes funding for offshore wind energy and electricity grid improvements, incentives for electric vehicles and appliances, and additional provisions focused on natural gas. Notably, the law allows ten cities to ban new natural gas hookups.

Nearby New York issued a draft scoping plan early in the year and finalized it just before Christmas. The plan is designed to achieve the state's goals of 85% reduction in emissions below 1990 levels in 2050 and of 100% zero-emissions electricity by 2040.

Also on the East Coast, a new Rhode Island law mandates that 100 percent of the state's electricity use must be offset by purchases from renewable sources by 2033.

Further south, Maryland enacted an ambitious new law. Under the 2022 Climate Solutions Now Act (CSNA), a new GHG emissions reduction target was established: 60% below 2006 emissions by 2031 and net-zero emissions by 2045. Sadly, neighboring Virginia is backsliding and moving toward withdrawal from the regional emissions trading system, RGGI.

Meanwhile, in the Midwest, there was a big win for offshore wind. The Ohio Supreme Court upheld a permit for what could be North America's first freshwater wind farm in the Great Lakes.

This is only a sample of state-level developments in 2022. The November elections also laid

the foundations for further advances in state climate policy. The Democrats took control of the Governor's mansions in Maryland, Massachusetts, and Arizona, while keeping control in closely contested races in Wisconsin and Kansas. The Republicans took the governorship in Nevada, but Democrats firmly control the legislature, which should limit backsliding. Democrats also picked up control of legislative chambers in Minnesota, Michigan, Pennsylvania, and left Republicans with very thin margins in both houses of the Arizona legislature.

State climate action will also be accelerated by recent federal spending legislation. In August, states submitted plans to access \$5 billion in federal funding from the Infrastructure Act to develop a national EV charging network. DOE solicited applications from states for the development of renewable resources, efficiency improvements, installation of electric vehicle chargers and other clean energy projects. Another important provision for all state governments is in the Inflation Reduction Act: \$250 million to support emission reduction planning by state governments.

Looking to next year, the election results and federal funding are likely to supercharge activities at the state level. 2023 promises to be a busy year for state legislatures and energy regulators.