

California Strategic Growth Council: 2024 Catalyst Conference

Progress in Place: From Power Building to Project Implementation

With historic investment through the Inflation Reduction Act and California's Climate Budget, "Progress in Place: From Power Building to Project Implementation," promotes community and local capacity, while anticipating challenges associated with project development and implementation. The sessions reflect the urgency to make place-based investments that center and support disinvested communities, at the speed at which federal and state funds are being deployed.

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3.3 What's Next? Thinking Above and Beyond Current Funding Opportunities

Session Leads

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Session Overview

While historic, the current availability of public climate finance is insufficient to meet long-term needs. The shortfall has prompted growing interest in ways to leverage limited and time-constrained public funds, from new forms of public-private partnerships to creative approaches to debt finance and municipal lending, and more. New financial products are being developed and employed by non-conventional financial institutions, who seek to ease funding burdens while ensuring commitments to climate and equity objectives. This session will offer a brief historical and conceptual overview of how constrained public finances has given way to the new consensus of using derisking to leverage private investment. The session will then move on to consider new and emerging strategies to optimize the potential of current opportunities in a way that supports the long-term interests of low-income and overburdened communities.

Panelists will discuss key challenges and opportunities presented by new Federal and State funding modalities that seek to blend public and private investment to accomplish public policy goals; topics will include public banks, public-public partnerships, and other key provisions of the Inflation Reduction Act and associated policies that cleave to the logic of 'supply side liberalism'. Session participants will be encouraged to reflect on the limitations and possibilities for public

finance under this emerging paradigm that offers unprecedented resources for climate action, but also intrinsically relies on private sector investment contingent on possibilities for profit.

Session Outcomes

- Introduce key concepts for thinking and doing public investment under fiscal constraints, some possibilities and limitations presented by funding models that explicitly seek to mobilize private investment in public policy, and ideas for maximizing those possibilities for public institutions
- Deeper understanding of how public institutions can coordinate to achieve just, deep decarbonization and adaptation to a warming world.
- Examine some key provisions of Federal Programs, including the Greenhouse Gas Reduction Fund and Direct Pay and how they can start to pave the way for further state-level ambition on infrastructure, climate, and healthy, safe communities.
- An opportunity to reflect on the types of projects that may be suited for a blended finance/public-private partnership approach to climate action and community investment—as well as those that require more creative public finance approaches.

Session Resources

- *Video:* [Varieties of Derisking](#)
- *Primer:* [Climate and Community Project's analysis of the IRA's good, bad and ugly](#)
- *Article:* [A Dynamic Theory of Public Banks \(and Why it Matters\)](#)