Local Energy Resources Network

Meeting 47

December 9, 2025

Welcome!

Purpose

Interactive 1-hour meetings designed to be a regular space where local governments - and those who work with them - can help each other learn about (and possibly inform) available opportunities to advance their energy and climate goals.

TODAY'S AGENDA

- Opportunity Roundtable
- Opportunity Spotlights
  - Berkeley GHG Tool: ClimatePlans.org
- Featured discussion:
  - How other states are investing in energy/climate projects
- Bonus Breakout

Opportunity Roundtable

View all Opportunities

Policy Drives Investment → **Agencies Scope/ Design Assistance Programs & Gather Input** → **Applicants Apply to Funding Solicitation**

State

- FY 2025-2026 State Budget (highlights);
SB/AB 102, budget bills (Prop 4, Cap & Invest Reauthorization)
AB 825
EO N-33-25
CCEC Legislative Tracker

Federal

- FY 2025-2026 Federal Budget (HR. 1) - tax credits guidance for solar/win
- Poll

International

- ICLEI: I Was at COP30: What U.S. Local Governments Need to Know - December 15

Funding

- CEC: Depot Charging and Hydrogen Refueling Infrastructure for Medium- and Heavy-Duty On-Road ZEB - Dec 12
- CEC: California Training for Residential Energy Contractors (TREC) - Pre-app Workshop Nov 19, Q's Nov 20, app Dec 22
- CEC: Communities in Charge - Wave 4 - January 9, 2026
- Campbell Foundation: Unsolicited Grants Cycle 1 2026 - Jan 23, 2026
- US Economic Dev. Admin: FY Disaster Supplemental Grant Program - March 3, 2026
- CARB: Planning & Capacity Building Project Grants- Applications open soon
- LCI: Extreme Heat and Community Resilience Program R2 - Early 2026, Prep Guide, Partnership Form by Dec 15 (responses)

Other Assistance

- CEC: HEEHRA Phase I - TECH CC stackable SF/MF rebates (up to $8,000) - install before 25C tax credit ends Dec 31
- CPUC: Self-Generation Incentive Program (SGIP) Energy Storage Incentives for Low-Income Homes - Rolling
- I-REN: Powering Resilient Communities: I-REN's New Public Sector Services - Dec 15
- Cal Poly SLO/CARB: California Climate Action Plan (CCAP) Database
- CalOES: Free technical assistance - Rolling

Input Opportunities

- CEA:/California Wildfire Fund: SB 254 Natural Catastrophe Resiliency Study - Dec 10
- SGC: Transformative Climate Communities and Community Resilience Center Program Guideline Input - thru Dec
- CEC Equitable Building Decarbonization docket: 22-DECARB-03 - ongoing
- CEC IPER Workshops - December 11 (remote)
- CPUC: Call for new Disadvantaged Communities Advisory Group Members - Jan 15
- CCEC: State-Local Energy and Climate Coordination - rescheduled to Jan 15
- CEC Building Energy Action Plan - First Draft in Review by Governor - public workshop to follow (TBD)

Opportunity Spotlight - ClimatePlans.org

Chris Jones

Director, CoolClimate Network

UC Berkeley

Featured Speaker

Please add questions in the chat

Rachel Jacobsen

Lead Researcher

Center on Budget and Policy Priorities

Addressing Climate, Energy, and Revenue Needs Together for Stronger States

Rachel Jacobson

December 9, 2025

CECC Local Energy Resources Network

Center on Budget and Policy Priorities

Center on Budget and Policy Priorities

Advancing federal and state policies to help build a nation where everyone — regardless of income, race, ethnicity, sexual orientation, gender identity, ZIP code, immigration status, or disability status — has the resources they need to thrive and share in the nation's prosperity.

Advancing Racial, Economic, and Health Justice Through State Climate Policy

- Just and equitable climate spending
- Raising progressive state and local revenues
- Long-term sustainability for state budgets
- Democracy and community autonomy in the energy system
- Centering vulnerable populations in climate adaptation

Agenda

- Importance of – and current threats to – state revenues
- Climate-focused revenue raising mechanisms: examples from around the country and opportunities for California

Healthy Revenues Fuel Thriving States

- State and local governments raise nearly half of the tax revenue available for public investment in the United States.
- States need revenues in good times and bad times, and for bold investments.
- Higher-revenue states provide better support for: public education, people's health needs, and fostering a supportive environment for children, workers, and families.

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State Revenue Choices Impact Climate Policy Goals

Raising income taxes can help fund climate needs

Massachusetts Fair Share Amendment funds clean energy projects in K-12 schools and expanded public transportation

FAIRSHARE FOR MASSACHUSETTS

Tax cuts make it harder to invest in climate priorities

Mississippi tax cuts could lead to lower state bond ratings state, making it more expensive to upgrade critical infrastructure to withstand climate impacts

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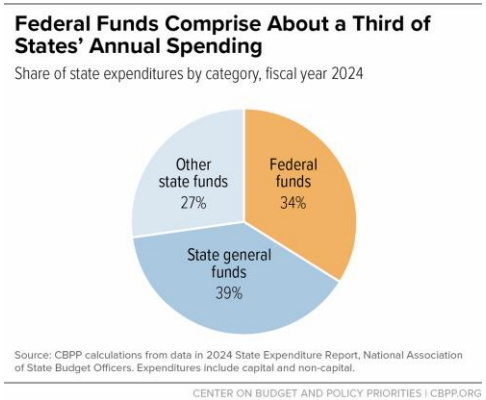
State Budgets Are Under Threat



- **Harmful Republican megabill** shifts substantial new costs to states and reduces state revenues.
- **A surge in efforts to weaken revenues**, particularly for public schools.
- **COVID-era federal aid** is now expired

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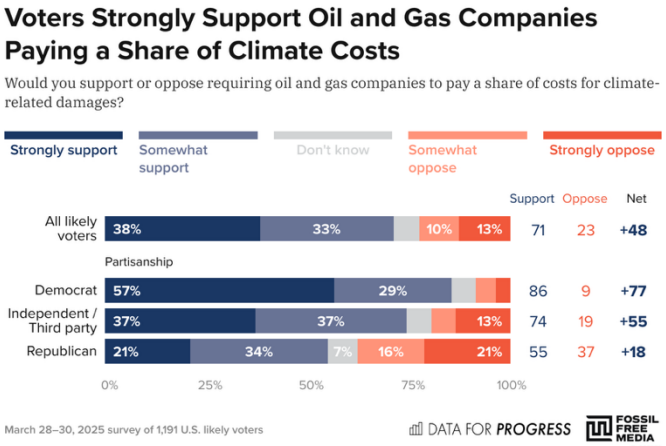
The Progressive Revenue Toolbox



- ❑ Raise more income tax from rich households
- ❑ Strengthen taxation of entrenched wealth
- ❑ Make sure corporations and polluters pay their fair share
- ❑ Modernize sales taxes
- ❑ Consider targeted excise taxes
- ❑ Review and reform costly tax breaks

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Applying the progressive revenue toolbox to climate policy needs

Key principles

- The energy transition necessitates revenue transition
- Climate impacts necessitate new investment
- Polluters should pay

Most relevant tools

- ❑ Raise more income tax from rich households
- ❑ Strengthen taxation of entrenched wealth
- ❑ Make sure corporations and polluters pay their fair share
- ❑ Modernize sales taxes
- ❑ Consider targeted excise taxes
- ❑ Review and reform costly tax breaks

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Climate-focused revenue raising options

1. **Make sure corporations and polluters pay their fair share**
   - Enact climate superfund
   - Enact and strengthen cap-and-invest
   - Enact carbon taxes
   - Charge oil and gas companies more to drill on public lands

2. **Review and reform costly tax breaks**
   - Eliminate specific exemptions for fossil fuel corporations
   - Reform tax breaks that apply to all corporations

3. **Modernize revenue raising for the energy transition**
   - Collect new severance and property taxes
   - Consider targeted excise taxes, e.g. road usage charges

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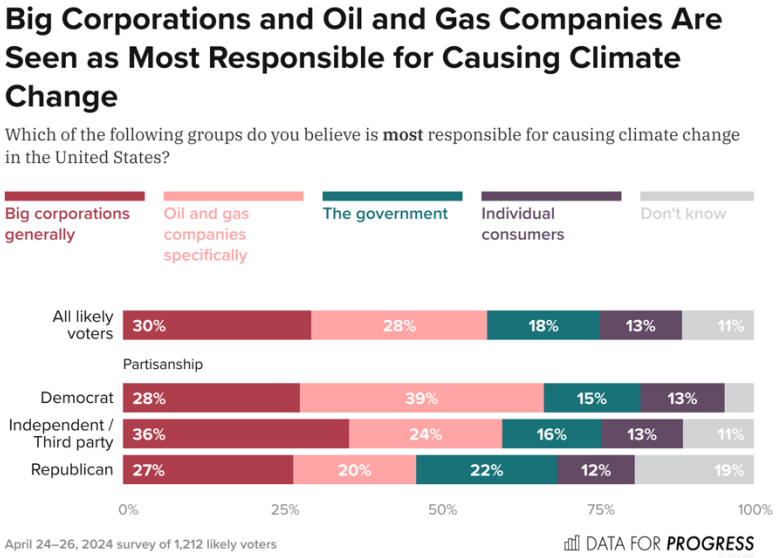
Climate Superfund

- New York and Vermont enacted Climate Superfund laws in 2024.
- In 2025, bills were introduced in CA, HI, MA, MD, NJ, OR, TN, VA, and federally.



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Charge Oil & Gas Companies More For Drilling

New Mexico raised its royalty rate from 20 → 25% in 2025, on par with Texas.

California can institute a severance tax and increase its royalty rates.

State Land Office has second-best oil and gas auction ever this month, pulls in $117 million

★ Follow Alaina Mencinger

By Alaina Mencinger amencinger@sfnewmexican.com Sep 16, 2025 Updated Sep 17, 2025 2

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Towards a Carbon Tax: The Hawaii Green Fee

In Hawaii, new tourism tax aims to offset costs of climate change

The "green fee," which takes effect Jan. 1, 2026, will fund environmental projects, such as beach restoration or the removal of fire-prone grasses.

BY: **BLOOMBERG** | 08/07/2025 06:09 AM EDT

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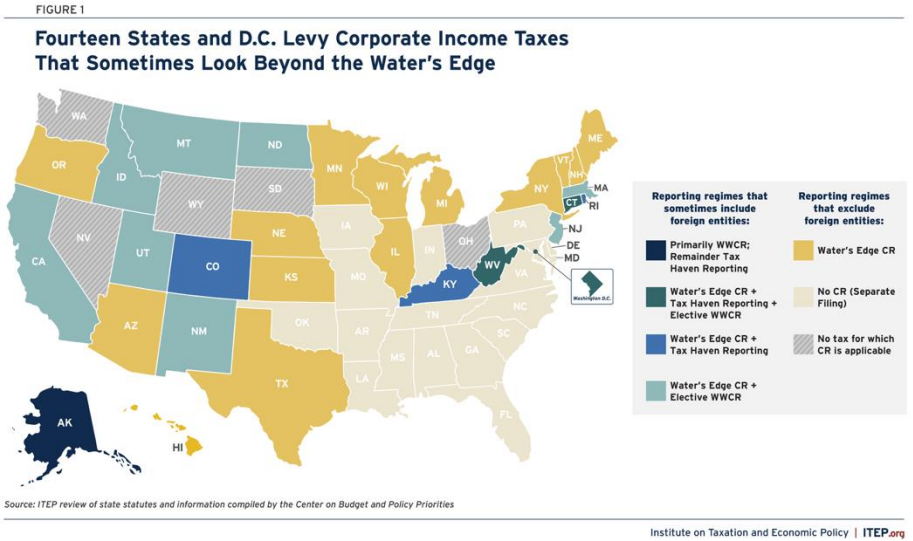
States Can Pay for Climate Investments By Raising Revenue From Polluters

Policy	Description	Equity	Feasibility	Efficiency
Climate Superfund	Specific oil and gas companies pay fees for historical climate pollution	Does not raise consumer prices	New policy undergoing legal tests now	Does not reduce climate pollution
Carbon Tax	Companies or consumers in specific sectors pay a tax on climate pollution emitted	Can pass costs onto consumers if not well-designed	Not yet adopted	Economically efficient at reducing climate pollution
Cap-and-invest (AKA cap-and-trade)	Facilities in certain sectors buy pollution permits in a state auction	May raise consumer prices; can relatively easily redistribute revenue equitably	Significant adoption	Reduces climate pollution with less economic efficiency
Fossil fuel extraction charges	• Eliminate fossil fuel extraction and production subsidies • Raise royalty rates	May require supplemental policies to control consumer price increases	Entrenched interests stymie progress	Reduces supply, reducing pollution (less efficient)

Eliminate Tax Expenditures

Alaska requires Worldwide Combined Reporting for oil and gas companies

*California can **eliminate Water's Edge elections and instead use Worldwide Combined Reporting** for corporations, including oil and gas companies.*



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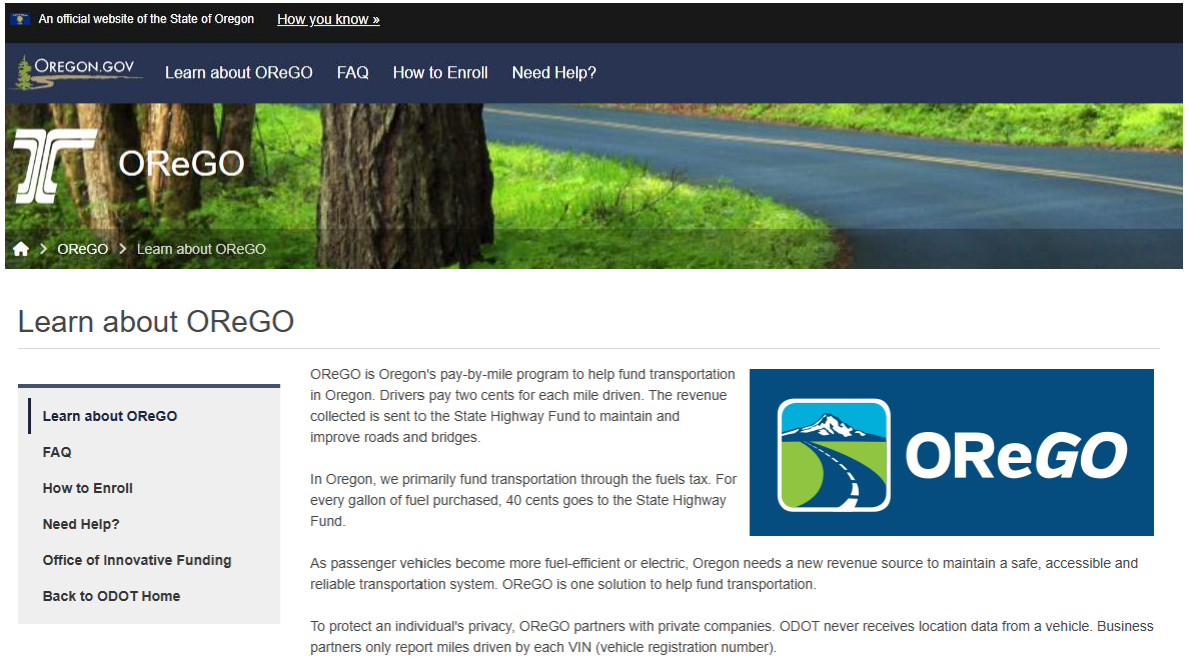
Road Usage Charges (RUCs)

- Oregon, Utah, and Virginia have active Road Usage Charges programs.
- In 2025, HI instituted a new large vehicle registration fee that was will raise $5M/yr for Safe Routes to School.

Recommendations from California's 2024-2025 RUC pilot program are due in Dec 2026.



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Key Points – Climate Action And State Revenues

- ✓ State budgets are **under threat**
- ✓ Climate action requires **new state-level investments**
- ✓ Climate change creates **revenue-raising opportunities**
- ✓ Climate action necessitates states **transition to new revenue sources**

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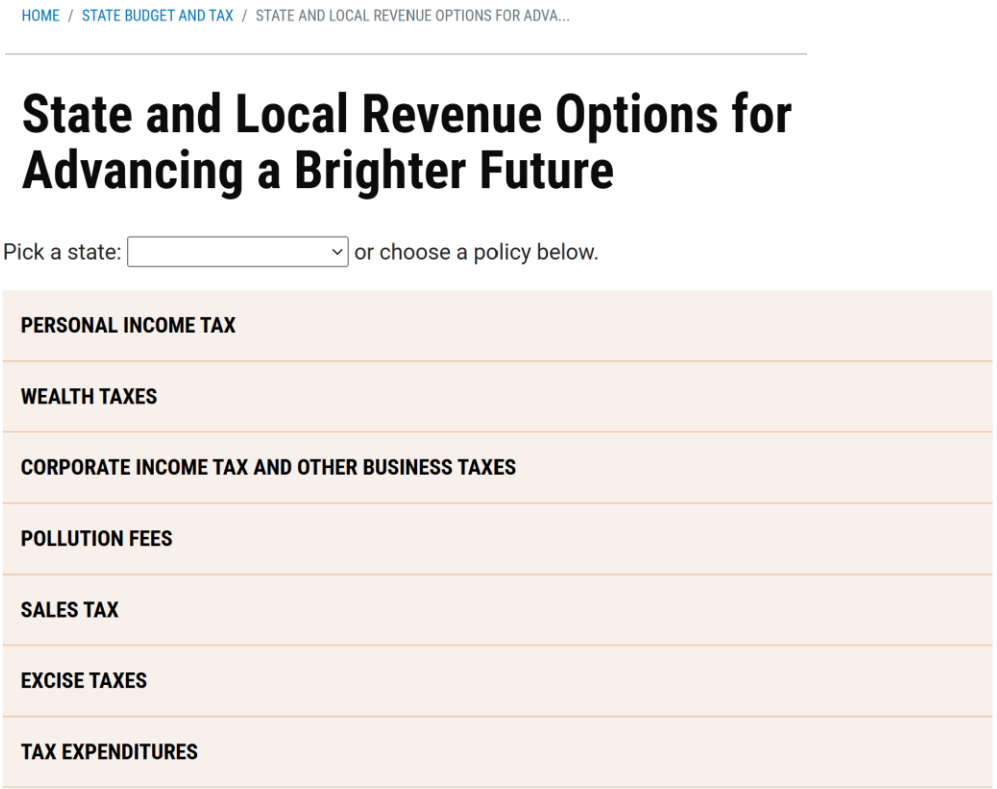
CBPP's State and Local Revenue Options Menu



Use the tool to:

- ✓ Identify revenue-raising options
- ✓ Understand the national landscape
- ✓ Get started on policy research

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CBPP's State and Local Revenue Options Menu

Pick a state: [ ] or choose a policy below.

PERSONAL INCOME TAX

WEALTH TAXES

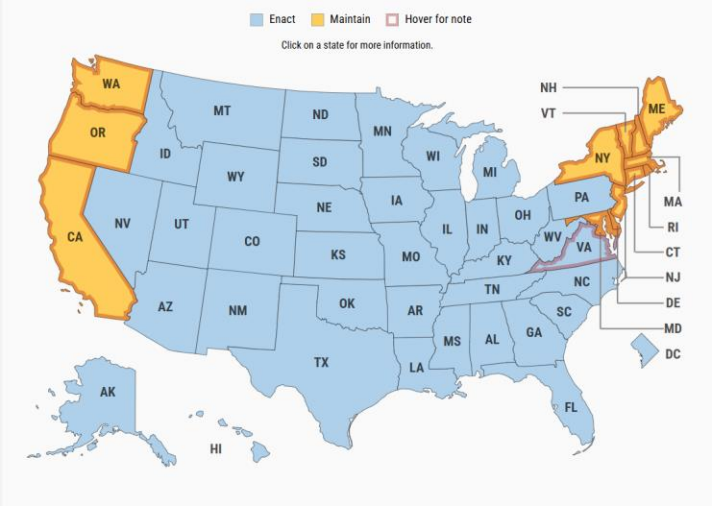
CORPORATE INCOME TAX AND OTHER BUSINESS TAXES

POLLUTION FEES

- Tax climate pollution →
- Enact cap-and-trade →
- Enact or increase severance taxes on natural resource extraction →
- Raise royalty rates for fossil fuel production →
- Enact a windfall profits tax on fossil fuel producers →
- Introduce gas tax replacements →
- Eliminate direct tax subsidies for fossil fuel producers →
- Introduce severance tax and royalty replacements →

Enact cap-and-trade

California, Washington, and 12 mostly northeastern states in the Regional Greenhouse Gas Initiative have implemented cap-and-trade (also called "emissions trading systems" or ETSs.) These states generally use the revenue to support environmental projects, though they have the option to dedicate more money to their general budget. Cap and trade revenue can be substantial, but it is subject to



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Thank You

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Featured Speaker

Please add questions in the chat

Peter Asmus

Pathfinder Communications,
Clarum Advisors

Alaska's Community Microgrids

Peter Asmus
Pathfinder Communications,
Clarum Advisors

The State of Alaska

- ✓ 586,412 square miles (more than twice the size of Texas)
- ✓ More coastline than all other US states combined
- ✓ Half of the world's glaciers
- ✓ Least densely populated state at 720,000 residents
- ✓ Leads U.S. in installed microgrid capacity

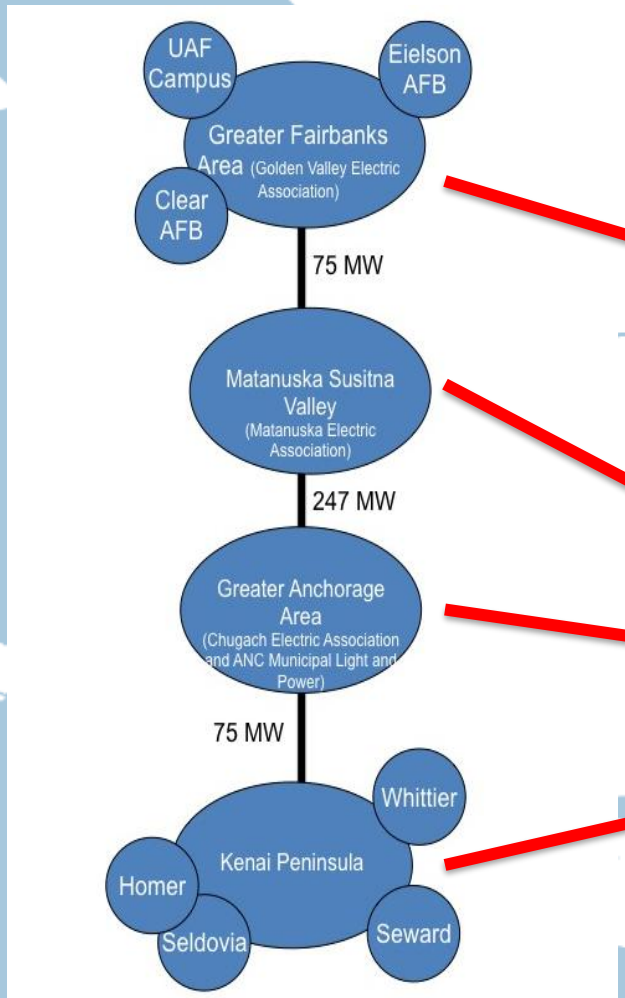
ACEP
Alaska Center for Energy and Power

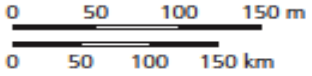
Alaska's Unique Community Microgrid Ecosystem

- Every resident, government facility and business relies upon a microgrid for all energy services in Alaska
- These microgrids are operated by utilities, the majority of which are co-ops with some as small as serving just 70 ratepayers
- The most advanced microgrids are those NOT connected to a traditional power grid
- The Railbelt Grid – the only transmission system – serves the largest cities, but lags on policy innovation *and* renewable energy development due to a lack of dynamic pricing, no RPS and no independent system operator.

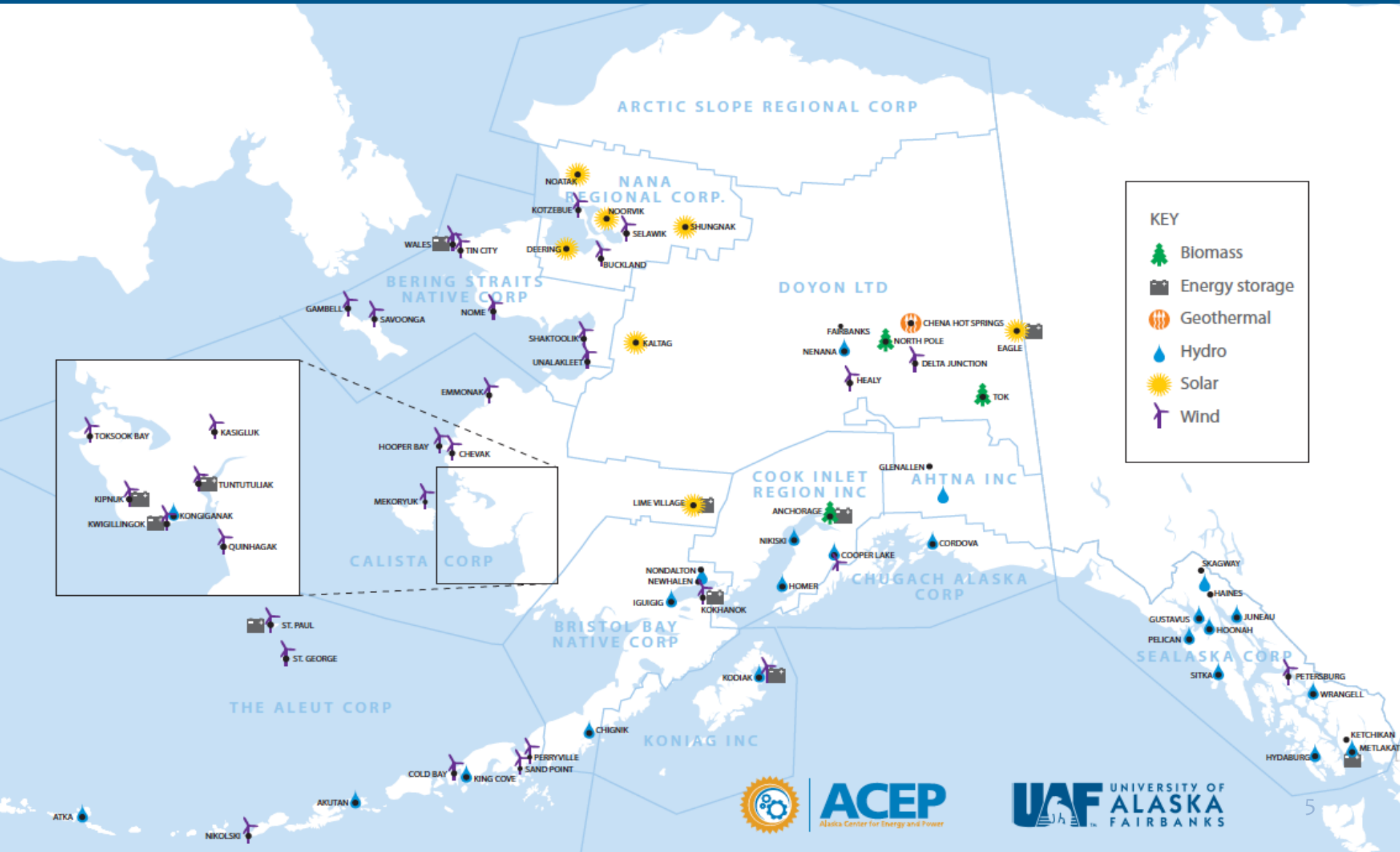
Alaska's "Railbelt" Grid

A series of nested and interconnected microgrids





Over 200 community microgrids; About half incorporate renewable energy



ACEP Alaska Center for Energy and Power

UAF UNIVERSITY OF ALASKA FAIRBANKS

Alaska Microgrids Features Most Diverse Renewables in the World

Wind-power

Biomass

Hydropower

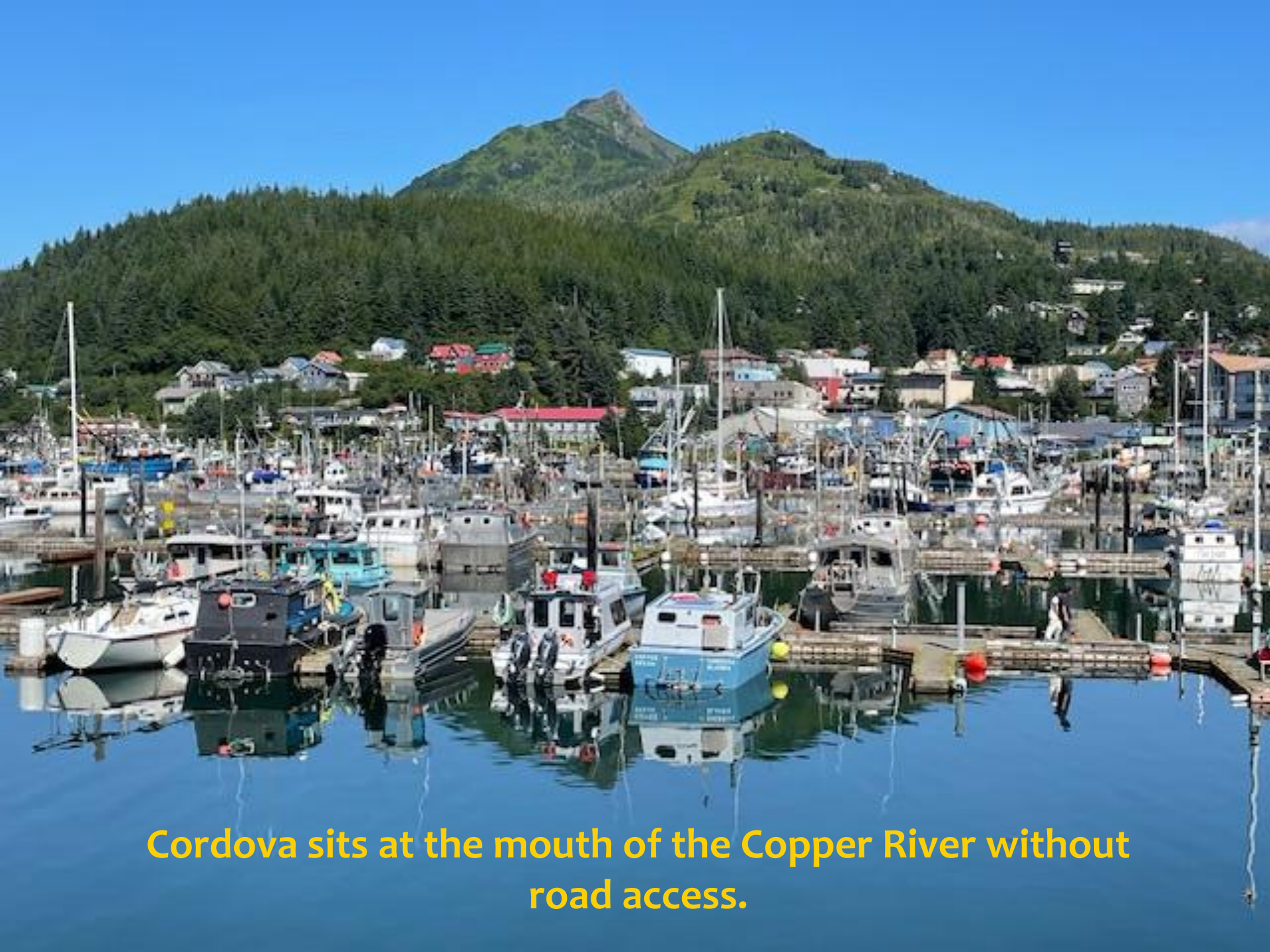
Hydrokinetic

Solar

Geothermal

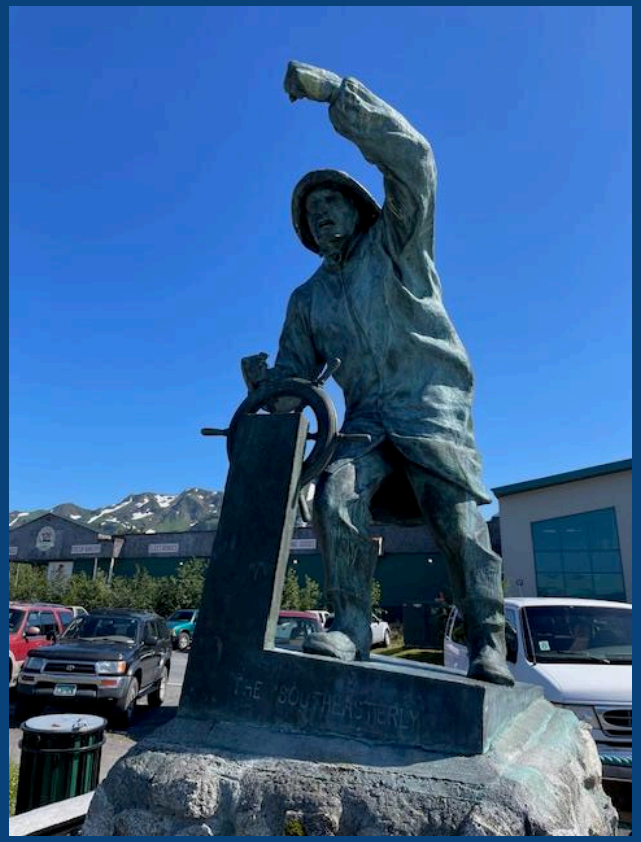
Three Community Microgrid Case Studies

- Cordova – the most advanced grid modernization project in the world?
- Kotzebue – Early pioneer with small wind and now proving that solar can work in the Arctic
- Kodiak Island – second largest island in the US running on ~100% renewable energy



Cordova sits at the mouth of the Copper River without road access.

Copper, Clams & Salmon



Run-of-the-river Power Creek

Long History of Innovation

- 100% hydro utility in 1907
- Transitioned to 100% diesel after copper ran out
- Transitioned to run-of-river hydro, diesel & battery system today
- Load increases from 3.5 to 9 MW during summer seafood processing season
- Reliance upon 75% renewable at half the cost of previous all diesel system

Keys to Success

- Became a cooperative in late 1970s
- Finished undergrounding all power lines in 2011.
- Free EV charging for customers
- Deployment of edge data center in 2024.

Kotzebue:
Small Wind (& Solar) Pioneer

Evolution of wind in Kotzebue

- First deployed AOC 66-kW wind turbines in mid-90s
- Then deployed Northern Power Systems 100-kW wind turbines, which became the go-to wind technology in Alaska
- Both companies went under
- Then shifted to 900-kW EWT wind turbines, the current preferred wind turbine in Alaska

Small vs “Big” Wind in Alaska

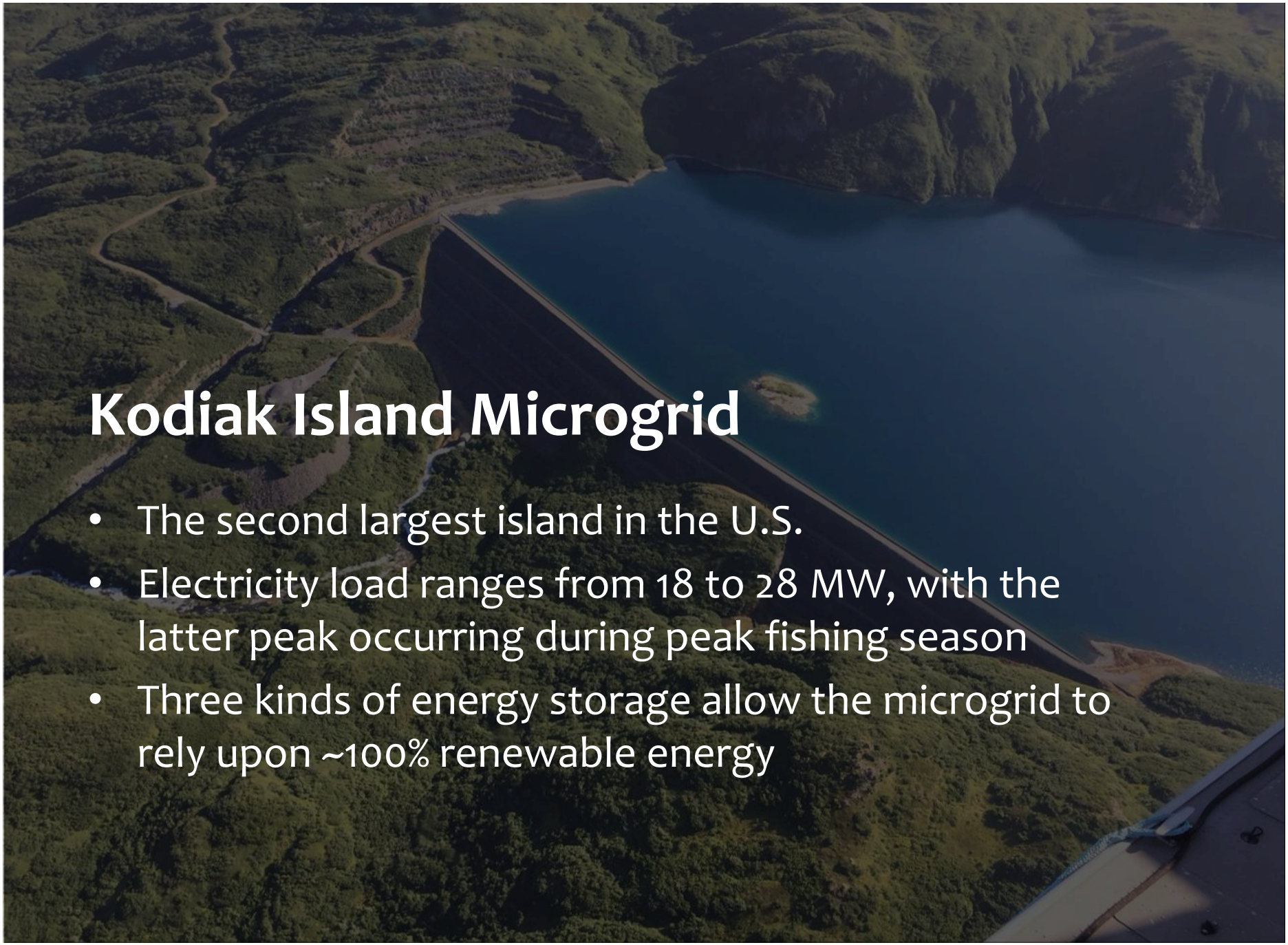
Partnerships & Collaborations

Worked with DOE, NREL and State of Alaska when nobody else took wind seriously in Alaska

Cooperative structure allowed for flexibility and patience with technology nurturing

First larger scale machine went up in 2012

First large-scale solar project in Alaska also installed in Kotzebue in 2015, growing from 300 kW to 1 MW today



Kodiak Island Microgrid

- The second largest island in the U.S.
- Electricity load ranges from 18 to 28 MW, with the latter peak occurring during peak fishing season
- Three kinds of energy storage allow the microgrid to rely upon ~100% renewable energy

GE Only Major Manufacturer to Respond

- GE took a chance when no one else would
- 1.5 MW wind turbines largest in Alaska
- Now a 9 MW wind farm, but started smaller to reduce risk
- Hydro historically provided about 40+% of island's power

Drivers & Keys to Success

- Price volatility was primary driver to go all-in on renewables
- Hydro provides long-term energy storage – taking ownership from state optimized operations
- First battery failed, but 3 MW li-ion battery works well
- Primary innovation was flywheel directly interconnected to huge crane representing 2 MW of instantaneous load

Lessons Learned from Alaska's Microgrids

- **Robust and Simple Holistic Designs Work Best**
- **Creative Energy Storage Solutions Help Keep Costs Contained**
  - Flywheels, Pumped Hydro Storage and Ultracapacitors
- **Thermal Energy Innovation is Vital to Project Success**
- **There Remains A Key Role for Wind Technology**
- **Myth Busting the Idea that Solar Cannot Work in the Circumpolar Arctic**
  - Alaska Solar Resource equals that of Germany

Discussion

Please add questions in the chat

Q&A and Discussion

Local Energy Resources Network

What's Next?

- Bonus Breakouts up next!
- Next meeting **January 13th**
- Share invitation with others

See you next time!

Optional: Bonus Breakouts

Thanks for joining us!

This is a space for informal discussion among the LERN network. Feel free to:

- Offer an announcement, success story, or opportunity
- Share a need for information, collaborators, or advice
- Raise a suggested topic or speaker for future LERNs

If you need an in-depth discussion, you can pitch a specific bonus breakout topic and invite others to join you (today or we can plan ahead for next month)

CCEC Serves Local Needs

- wEEkly Update
- CURRENTS Quarterly
- Webinars
- Annual Forum

- Technical Assistance
- Technical Assistance Directory
- Local Government Roundtables

- Active Funding Opportunities
- Funding Program Database

- Best Practice Database
- Interviews and Case Studies