



**California State Treasurer Fiona Ma, CPA**

# **News Release**

**IMMEDIATE RELEASE**

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Contact: [Mark DeSio](#)  
**(916) 651-6088**

## **California is Moving the Financial Needle in the Right Direction When it Comes to the Climate Crisis**

**SACRAMENTO** – California State Treasurer Fiona Ma says when it comes to addressing the climate crisis, California is “moving the financial needle” in the right direction. She commended Governor Gavin Newsom in calling today for the inclusion of a \$1 billion climate catalyst fund in his 2020-21 budget.

“California has been the leader in combatting climate change since AB32 was signed into law in 2006,” Treasurer Ma said. “As the State’s Banker, I’m happy that we will invest in companies that spur newer, greener tech solutions to combat fires, floods and blackouts in California. The \$1 billion low-interest revolving loan fund sends a message to the world that California is stepping up even more to help Mother Nature.”

As chair of the [California Alternative Energy and Advanced Transportation Financing Authority](#) (CAEATFA), which assists the state in meeting its greenhouse gas goals and works with the private market, Treasurer Ma has witnessed first-hand the positive effects of offering funding for climate-friendly projects.

CAEATFA operates the CA Hub for Energy Efficiency Financing Program, which works with private capital to help homeowners and small businesses lower their energy use and operating costs while increasing the health and comfort of California buildings. This effort also

has been instrumental in spurring California's private green market. Over its lifetime, CAEATFA has provided more than \$825 million in sales tax exclusions for over 200 green projects that are helping California meet its energy goals, including solar manufacturing, geothermal, renewable fuels, and biogas production.

Treasurer Ma also chairs the [California Pollution Control Financing Authority](#) (CPCFA), which has had great success providing \$16.2 billion in low-cost innovative financing to California businesses since 1972 with an objective of making California more economically prosperous and environmentally clean. CPCFA was the first statewide financing authority to sign the Green Bond Pledge, vowing to meet climate bond principles in all of its projects.

CPCFA is committed to promoting access to capital through the delivery of financing options. For example, CPCFA awarded \$73.7 million in tax-exempt green bond financing last summer to CalPlant I, LLC, a company that will turn rice straw into medium density fiberboard at its Willows plant in the Sacramento Valley. Fiberboard is used in manufacturing flooring, furniture, doors, shelves and other products.

"This is the decade, the 2020s, when we have to stop climate change," the Treasurer said. "As the chair of two green financing authorities, we have seen increased competition for our incentives and funding tools over the past two years. The Climate Catalyst Fund announced today will help move the needle faster."

Treasurer Ma said she was also pleased to hear the governor emphasize the use of a \$4.3 billion climate resilience bond to harden the state's water resources infrastructure – a proposal consistent with the philosophy behind her California Green Bond Market Development Committee.

The Treasurer chaired the inaugural meeting of the California Green Bond Market Development Committee last June at [the Center for Environmental Public Policy at UC Berkeley's Goldman School of Public Policy](#). The focus of the committee is to promote development of the strategy and tactics necessary to lead California to a functioning green bond market that will be a model for other states and countries.

"California has been a green finance pioneer in the U.S. market," agreed Sean Kidney, CEO of the [Climate Bonds Initiative](#). "This marks a new phase of forward facing national

leadership to develop scientifically rigorous investment models that address infrastructure needs in a climate impacted future. International investors and global funds are increasingly looking for quality, long term green infrastructure opportunities that incorporate climate factors. That's precisely the direction Treasurer Ma wants the Californian and other US markets to move towards."

Institutional investors have shown an increased demand for climate-friendly investments that are more efficient and which have demonstrable benefits for our climate. A recent study asserts that governmental issuers who sell bonds to finance climate-friendly projects may enjoy a competitive advantage in the marketplace for their bonds when those bonds are identified and certified as "green." In a time when socially conscious investors are demanding more "green" investments Treasurer Ma believes California has the opportunity to demonstrate its leadership in this critical part of the climate response.

"We can meet the demand of these investors clamoring for infrastructure project investments that recognize and respond to the realities of climate change," she said.

"California can achieve a competitive advantage by using our market presence to create financing programs that fit the investment preferences of investors looking for the infrastructure investments of the future. And in so doing, we will inevitably produce more economical and efficient results for all Californians."

Treasurer Ma has called upon members of the California Green Bond Market Development Committee to join her in a detailed effort to identify and promote infrastructure projects financed with bonds issued by California's state and local government as climate-ready. That means projects meet standards established by recognized international scientists for climate responsive mitigation, adaptation, or long-term sustainability. The California Green Bond Market Development Committee is made up of 27 academics, engineers, public policy experts, attorneys, and climate scientists.

The key drivers of the climate crisis sit in corporate boardrooms and government offices, said Treasurer Ma, who in September stood with public school students and teachers demanding fossil fuel divestment from the California State Teachers' Retirement System. In

order to stave off the worst effects of the climate crisis, we must slash carbon emissions, she said.

A [study](#) released in 2017 found that just 100 companies—and the down market consumption of their products and services—are responsible for 70 percent of all carbon emissions in the world. ExxonMobil, Shell, BP and Chevron were among the worst polluters.

*Fiona Ma is California's 34th State Treasurer. Her 2019 accomplishments can be found [here](#). Treasurer Ma was elected on November 6, 2018 with more votes (7,825,587) than any other candidate for treasurer in the state's history. She is the first woman of color and the first woman Certified Public Accountant (CPA) elected to the position. The State Treasurer's Office was created in the California Constitution in 1849. It provides financing for schools, roads, housing, recycling and waste management, hospitals, public facilities, and other crucial infrastructure projects that better the lives of residents. California is the world's fifth-largest economy and Treasurer Ma is the state's primary banker. Her office processes more than \$2 trillion in payments within a typical year. She provides transparency and oversight for the government's investment portfolio and accounts, as well as for the state's surplus funds. Treasurer Ma oversees an investment portfolio of more than \$90 billion, more than \$23 billion of which are local government funds. She serves as agent for sale for all State bonds, and is trustee on outstanding debt that is also estimated to be more than \$89 billion.*

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