



U.S. Election



State-level Credibility & Durability 2024

October 2024

Foreword

Climate is on the ballot this year as the upcoming U.S. elections pose a key question for whether voters will choose to continue President Biden's accelerated decarbonization or potentially pursue some rollbacks of Biden era policy, especially as it has become an increasingly partisan challenge. This is critical for not only the U.S., but globally, as the U.S. is both the world's second largest CO₂ emitter and a key player in the global economy. In this two-part series we explore this at first a federal level and then at the state level in our second instalment.

Part One: At the federal level, we first demonstrate how past presidencies have impacted the climate trajectory of the U.S. and the legacy left by President Biden for the next elected U.S. president. Following this, we model three key scenarios for the upcoming presidential elections, which are Trump with a Republican Senate, Trump with a Democratic Senate, and Harris Elected. Each of these scenarios have significant and varying implications for the U.S.' decarbonization progress both in the medium and long term, especially as federal level policy has the potential to uniformly increase national standards for climate policy.

Part Two: Comparatively, the second instalment takes a more granular approach by analyzing state level policy through our scoring of every state's climate policy credibility and durability. This identifies how mature different states are progressing climate policy across the nation as well as the rollback risk of any policy under future leadership from the governor and state legislature. This is particularly critical for those looking to determine how stable the investment environment is for those deploying green capital.

Together, these publications provide a view of the challenges and opportunities ahead as the trajectory of climate action in the U.S. is reshaped, with profound implications on a state, federal, and even global level.



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2024 Elections: Climate on the ballot

Seats and offices up for election in 2024

Part 1: Federal



Senate

33/100



House

All



Presidential

Yes

Part 2: State



Gubernatorial

13/51

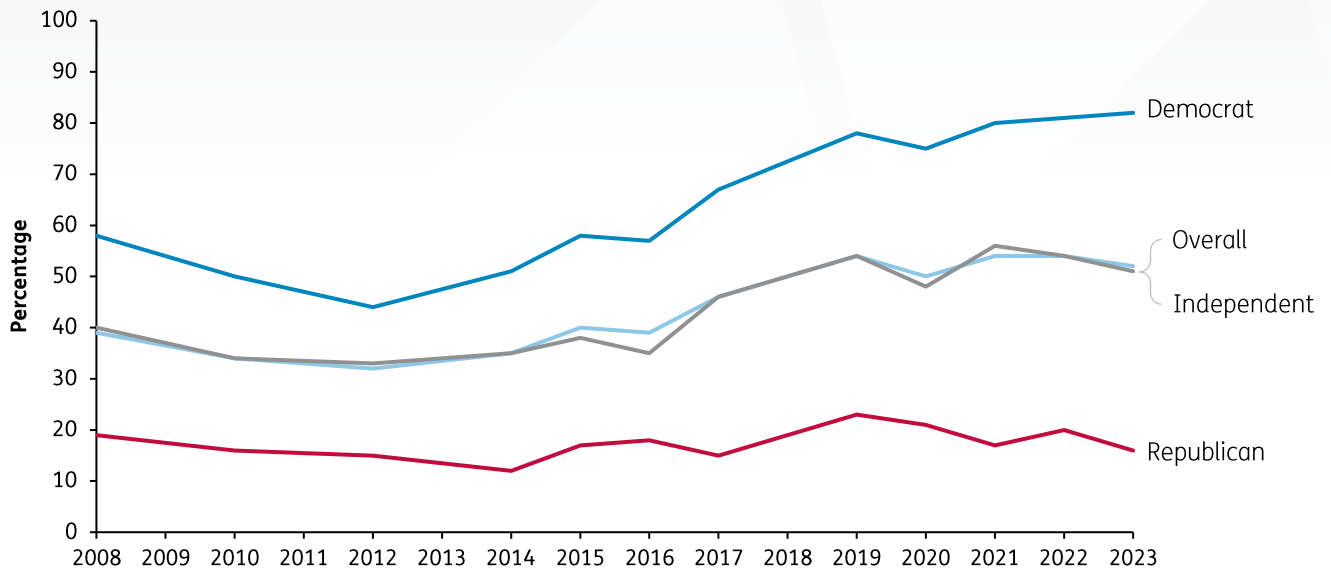


State Legislature

44/51

Voter polarization: climate is a point of division between republicans and democrats

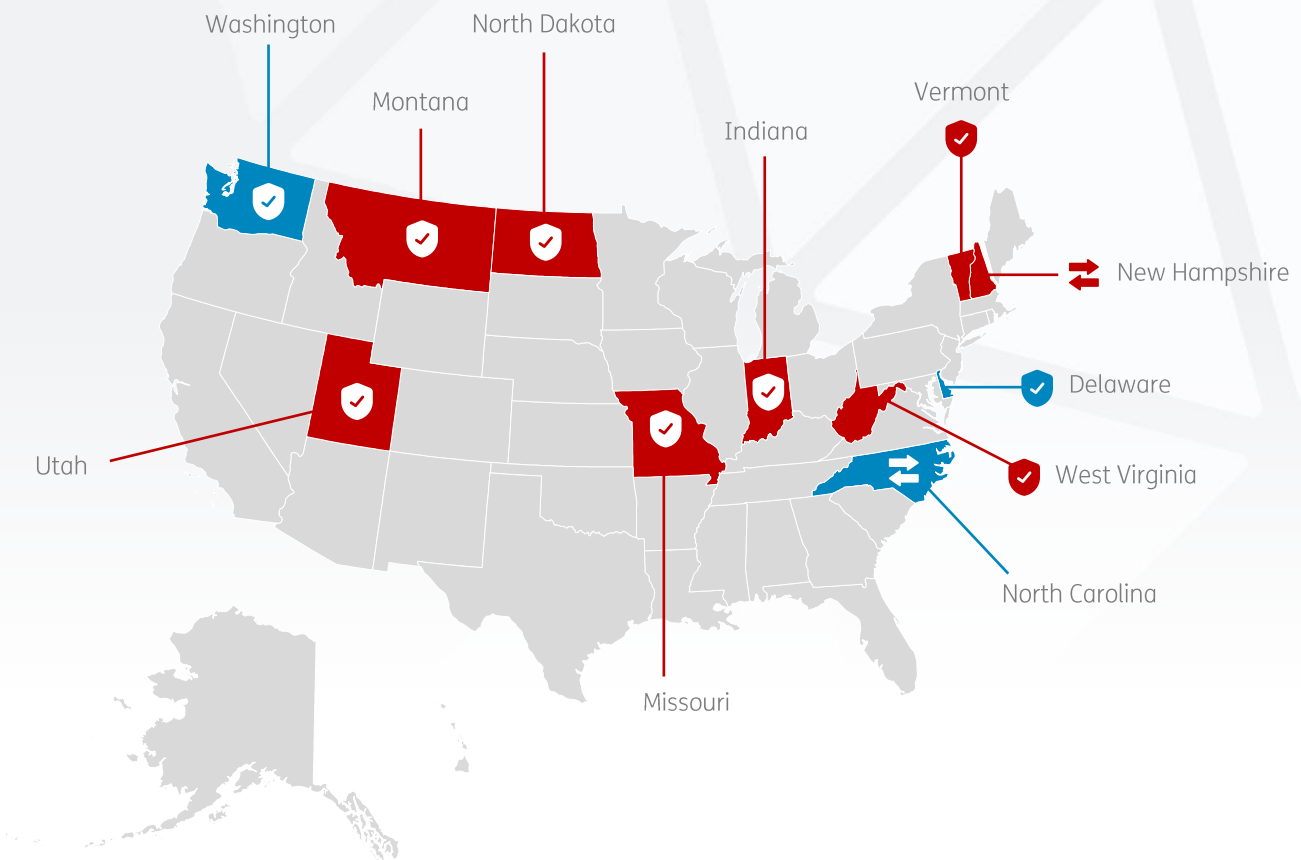
Percentage of survey respondents that consider climate change a critical threat



State level

Governor Elections 2024

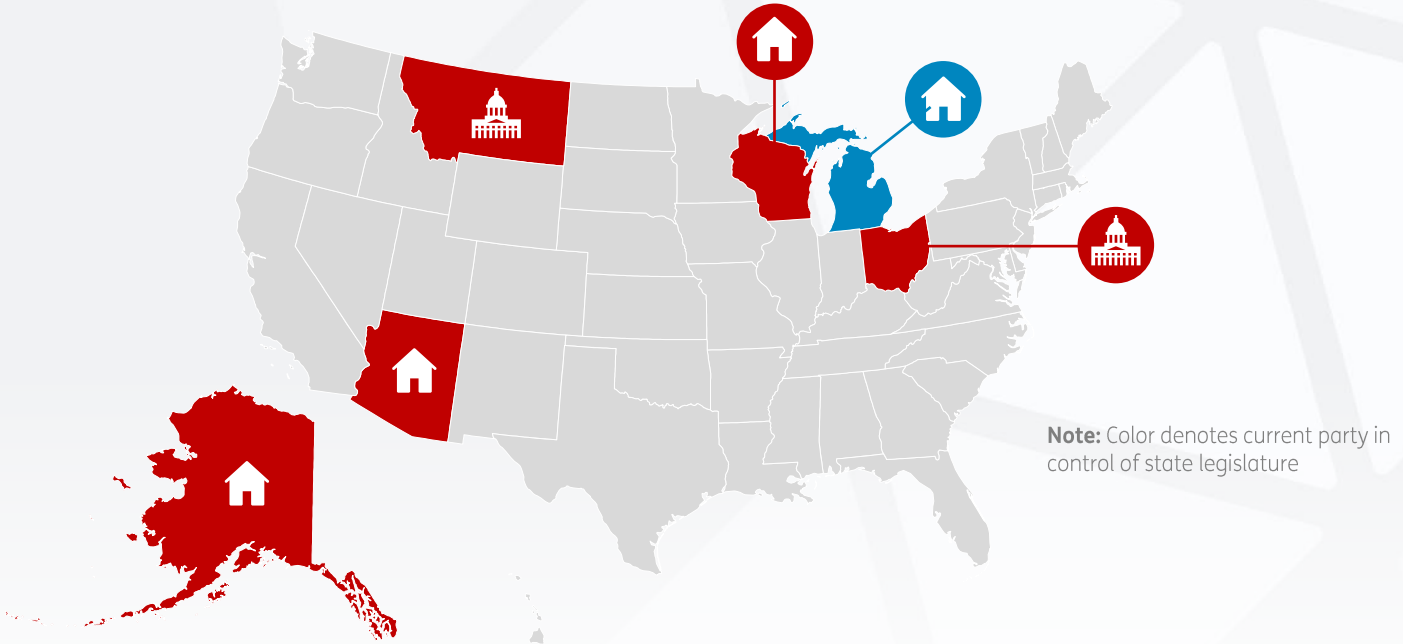
By 2025, it is predicted that there will be 22 Democratic and 26 Republican governors, with the addition of New Hampshire and North Carolina which have contested elections.



State Legislature Elections 2024

With 44 out of 51 state legislatures up for election, There is potential for change across the nation.

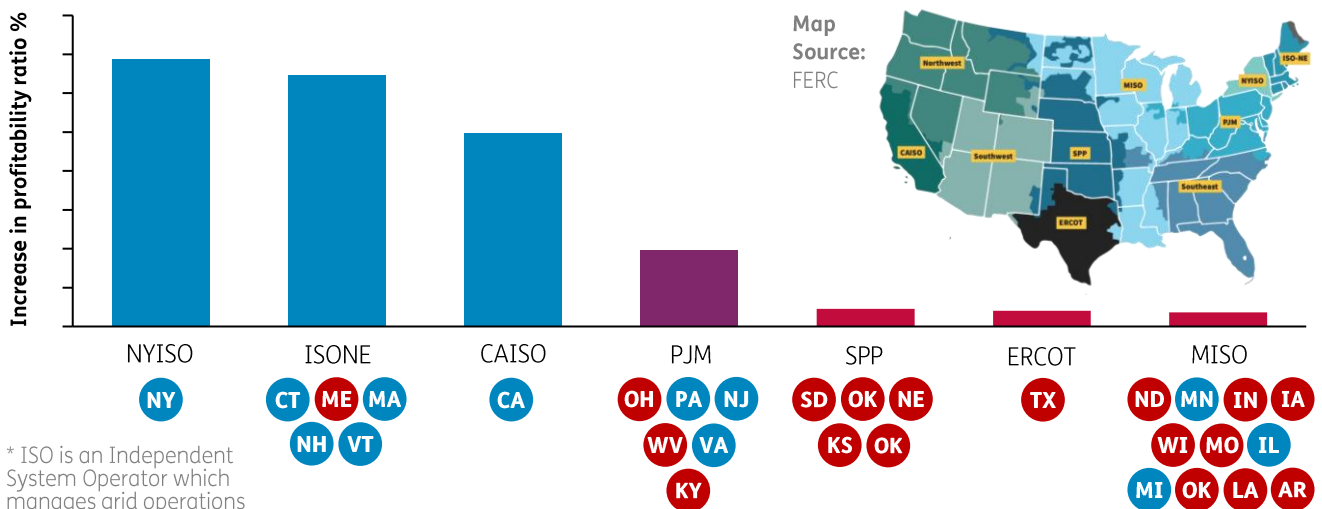
States that have a legislature or house which is likely to flip



Politics and Profit: Renewable profitability is significantly supported by policy schemes across democratic states

The level of profitability across the ISOs is largely determined by the political composition of the states within that ISO*.

Renewable energy certificate profitability increase compared to baseline, and political affiliation







Note: States listed cover the majority of the ISO Source: Baringa power market reports | Source: Baringa power market reports

State Policy: Decarbonization policy levers

There are five main policy areas which can be seen across all four of our credibility lenses, which operate with varying levels of efficacy.

Key Levers

	Targets	Regulatory Requirements	Interstate Programs	Financial Incentives	Transition Plans	Lever Details
Emissions all economy 	MID ▲ ▲	HIGH ▲ ▲	MID ▲ ▲	MID ▲ ▲	MID ▲ ▲	Most states have emissions reduction targets which strengthen utility company targets, which are strengthened when statutory as they can then be regulated.
Power Generation 	HIGH ▲ ▲ ▲	HIGH ▲ ▲ ▲	MID ▲ ▲	HIGH ▲ ▲ ▲	MID ▲ ▲	Targets are stronger when mandated through either a renewable portfolio standard or a clean energy standard, and are often supported by renewables subsidies.
Transport 	MID ▲ ▲	HIGH ▲ ▲ ▲	HIGH ▲ ▲ ▲	HIGH ▲ ▲ ▲	LOW ▲	Some states are introducing ICE vehicle bans, while most states are promoting EVs introducing tax rebates or subsidies for both EV purchasing and charging.
Buildings 	MID ▲ ▲	HIGH ▲ ▲ ▲	LOW ▲	LOW ▲	LOW ▲	Building efficiency standards to lower emissions and increase energy efficiency, for example including insulation and lighting requirements.

C&D Scoring





Credibility

- ▲ For each state, a credibility score will be assigned to reflect the extent to which the state’s current policies support climate-related objectives and targets
- ▲ Individual scores are assigned to reflect state’s policies related to:
 1. Emissions commitments
 2. Power Generation
 3. Transportation
 4. Buildings

Durability

- ▲ For each state, a durability score will be assigned to reflect the likelihood that the current climate-related policies will strengthen or weaken over time.
- ▲ Scores range from -2 for strong risk of climate rollback, to +2 for strong climate momentum
- ▲ Individual scores are assigned to reflect:
 1. Regime Change
 2. Incumbent Intent
 3. Party pressure

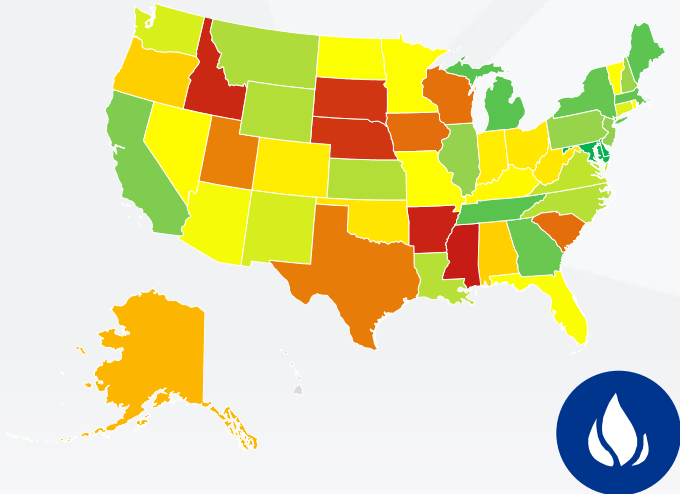
Credibility Scoring Matrix

	Credibility: Current Net Zero Policy Maturity					
	1	2	3	4	5	6
Emissions Commitment 	No Emissions Target	↔				Net Zero Legal Legislated By 2050 Or 60% By 2030
	>80 Million Metric Tons of Emissions Per Year In 2050					<10 Million Metric Tons of Emissions By 2050
Power Generation 	No Renewable Portfolio Standard	↔				Renewable Energy Generation Target 100% By 2030
	Renewable Energy Generation <20% By 2030					Renewable Energy Generation >80% By 2030
Transport 	Limited EV Supportive Policies	↔				Legally Enforced ICE Ban (Light Vehicles) 2050
	<2% Of Vehicles Are EVs					>25% Of Registered Vehicles Are EVs
Buildings 	Low Building Policy Ranking	↔				High Buildings Policy Ranking
	Efficiency Score <20 Against 2021 IECC					Efficiency Score >80 Against 2021 IECC
Weighted Average = Credibility Score						

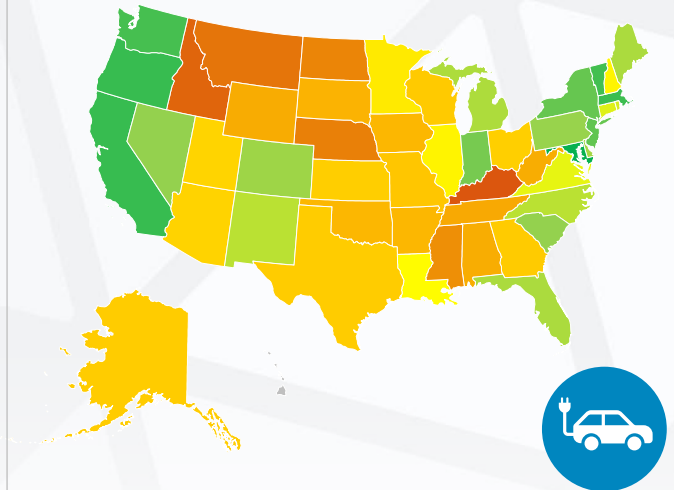
State Level Credibility: Decarbonization policy levers

Across our four policy levers, Baringa has ranked all states on their climate policy credibility to date.

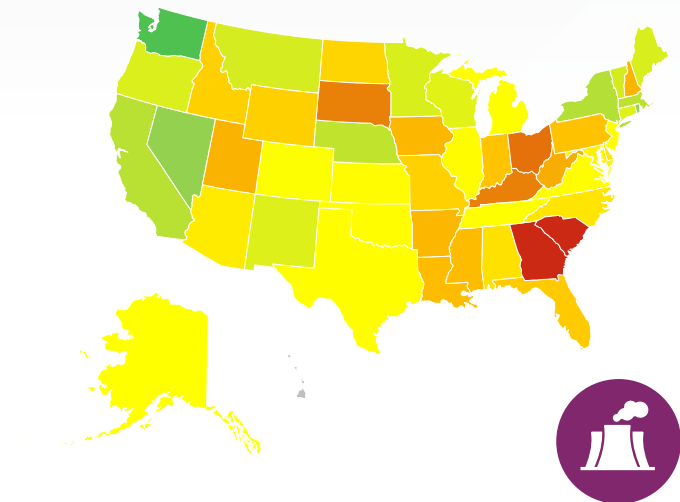
Emissions Decarbonization



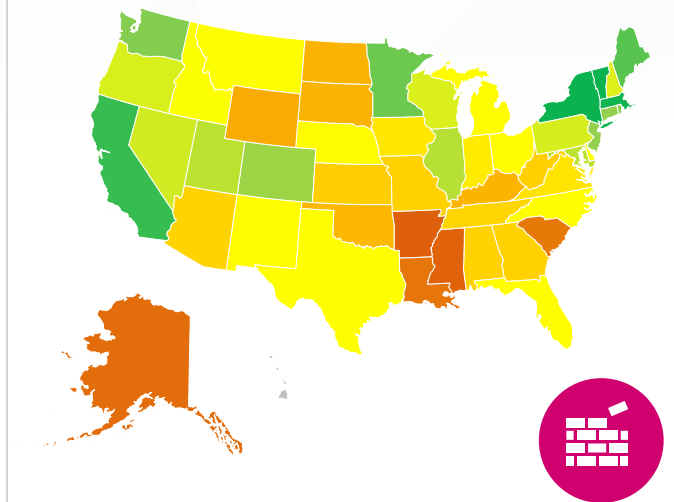
Transport



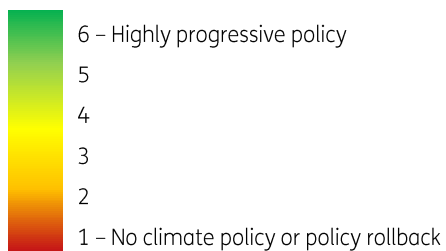
Power Generation



Buildings

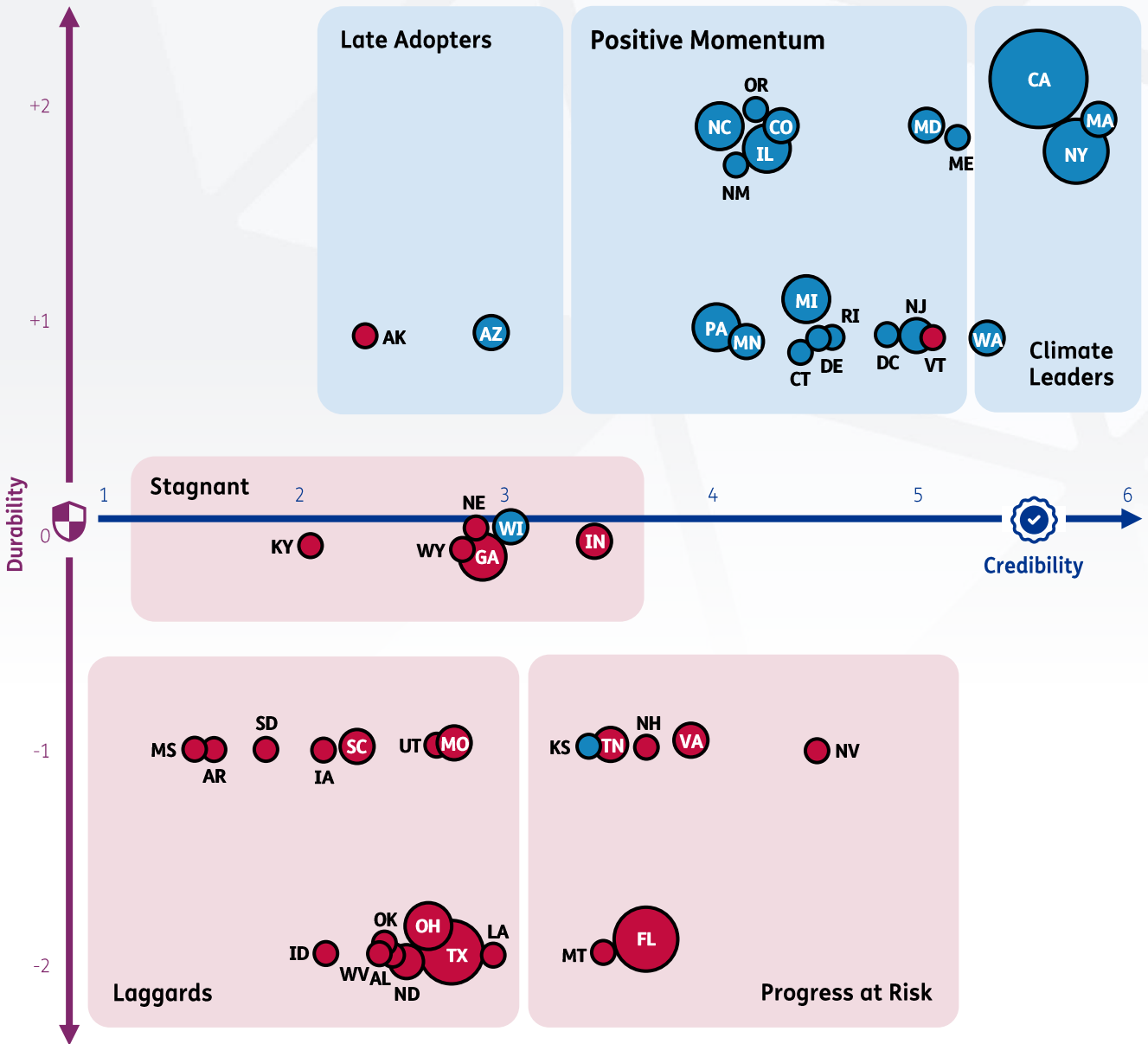


State Scores:



Credibility Scoring: State credibility and durability scoring

States with a Democratic governor trend higher for credibility and durability scores.



Note: Color denotes governor party affiliation

























Policy in Progress: Rapid development

The rapid pace of change in climate politics has accelerated policy in a few states, often progressing from a minimal target to an ambitious net zero plan.

States of Change: Big Movers









The increase in climate politicization and federal policy has pushed a number of states to develop rapidly over the past few years. In the past two years alone, we have seen a number of states implement new targets and deepen existing policy. Delaware, Florida and Tennessee are some of the top ‘movers’ who we have passed legislation that is significantly more progressive than was previously in place. The primary area of progress has been in economy wide emission targets and power generation targets, with states often linking buildings and transport to wider emissions policy.

State	 Emissions	 Power Generation	 Transport	 Buildings	Durability	Score Change 2022 – 2024
Delaware 	Score: 6  HB 99 2023: reduce state emissions to net zero by 2050	Score: 3  RPS of 40% electricity from renewables 2035	Score: 4.75  Financial incentives for EV charging infrastructure development	Score 3.5  Mid efficiency standards	1 	3.0 > 4.3
Florida 	Score: 3.5  90% of net-zero target by 2045, driven by federal target	Score: 2.5  No RPS, but target of 100% renewable electricity by 2050, set 2022	Score: 4.75  Financial incentives for residential EV purchases	Score: 3.5  Mid to high efficiency standards	-2 	2.8 > 3.6
Tennessee 	Score: 5.5  SB 1147 2023: net zero by 2050	Score: 3.5  2022 agreement to provide 100% clean energy to federal facilities	Score: 2  Financial incentives for charging station installation	Score: 2.5  Low to mid efficiency standards	-1 	1.3 > 3.4

Climate leaders

States leading the climate conversation are setting ambitious targets to ensure net zero is met and proactively pursue these targets to ensure they are met by target deadlines.




Climate leading states are now often reframing their focus away from legislating increasingly ambitious targets, towards ensuring that their targets can be met and entrenching the policy through more detailed polices and social infrastructure. This is frequently accompanied by stricter regulations on carbon heavy industries and subsidies for low emissions/renewables industries, as well as rules to ensure that the transition is just, to avoid social and economic backlash from an accelerated transition.

State	Emissions 	Power Generation 	Transport 	Buildings 	Durability 	Narrative
California 	5	4.5	6	6	2	As one of the most progressive states, California has pursued progress both legislatively and through ensuring that mandated targets are met. Recent legislation has increased reporting and disclosure requirements for companies operating in California, as well as continued funding allocated on climate initiatives at \$48.3 billion for the next seven years. Since climate initiatives have deep support within the state as well as those in office, a continuation of current policy is expected.
New York 	5.5	4.5	5.5	6	2	Climate is a central pillar of policy, with Governor Hochul already integrating the cost of transition into future state budgets. This is particularly important as rural areas in the state still rely on carbon intensive industries such as manufacturing. The 2024 Renewable Action Through Project Interconnection and Deployment (RAPID) Act will support New York's rapid decarbonization ambitions through its accelerated review and permitting process for renewables and electricity transmissions projects.
Massachusetts 	6	4.5	5.75	6	2	Massachusetts has been strengthening existing policies and introducing plans that develop state strategy for meeting net zero targets across their economy. With initiatives such as the combustion car ban from 2035 and GHG emissions reduction of 50% by 2030, the state is taking an aggressive stance against climate change. The state has deep bipartisan support for climate progress, where conversations often focus on balancing economic priorities alongside climate action.

Progress at Risk

Despite positive progress to date, these states are likely to experience policy rollback which will go against progress achieved. The risk of rollback is from either an existing precedent to implement regressive policy, or a significant risk of an anti-climate opponent taking office.




Progress at risk states have a significant risk of rollback through a change policy priority away from climate, legislative repeals, and withdrawal from previous commitments and interstate agreements. This has already been seen in a number of states, especially where previous progress was not legislatively enforced.

State	Emissions	Power Generation	Transport	Buildings	Durability	Narrative
Nevada 	3.5	5	4.75	4	-1	Despite the strength of existing policy, the combination of a Democratic legislature and a Republican governor has resulted in inconsistent climate policy progress. The incumbent has pulled out of the U.S. climate alliance and ordered climate strategy to be revised, including favoring the continued use of natural gas which accounted for 56% of state generation in 2023 (EIA). Though the risk of rollback is tempered by the recent prioritization of renewable energy production, particularly solar, which has bipartisan support in the state.
Virginia 	4.5	3.5	4	3	-1	Virginia has some of the most progressive policies in the south, with legislation such as the Clean Economy Act setting ambitious state targets. However, despite pushback from the state legislature, the incumbent governor has succeeded in pulling Virginia out of state initiatives, such as the Regional Greenhouse Gas Initiative and removing the state from the carbon pollution cap. Uncertainty over the continuation of rollbacks has been exacerbated by the recent changes in party control, such as the House becoming democratic this year.
Montana 	4.5	4	1.5	3.5	-2	Republicans are likely to remain in control through the 2024 elections, which will renew their mandate to further introduce anti-climate legislation, such as the May gas ban pre-emption bill which prevents any local bans on gas. Given the states dependence on coal and natural gas, there is skepticism over a full transition to renewables and over federal mandates, indicating potential rollback going forward.

Laggards

Laggards are slow to adopt or resistant against implementing progressive policy. Several states have enacting protectionist measures against federal mandates and actively supporting carbon emissions heavy systems, solidifying their position as a laggard.




Low scoring states are generally enacting policy measures to promote traditional energy assets, blocking renewables projects and their funding, legislative protectionism against pro-climate policy, and push back against federal requirements. In some states, this has included passing pre-emptive legislation to prevent future pro-climate legislation that would restrict traditional assets, which damages climate progress more significantly.

State	Emissions	Power Generation	Transport	Buildings	Durability	Narrative
Arkansas 	1	2	2	1.5	-1	Policy progress to date has been negligible, and Governor Sarah Huckabee Sanders has been notably quiet on climate, supporting an ‘all of the above’ energy strategy that prioritizes developing both renewables and fossil fuels, without subsidies to benefit either option. As such, Arkansas is now one of the few states with no legislated emissions reduction target, nor a renewable portfolio standard. This is seemingly supported by the Republican majority in the house and senate, with Arkansas as a key fossil fuel state.
Mississippi 	1	2	1.75	1.5	-1	With a Republican trifecta, conversations on climate in Mississippi are relatively quiet, with Governor Reeves providing some critique of progressive climate policy, instead prioritizing cheap energy costs for better local economy. The state only developed a climate action plan in March, yet had signed an “All Fuels Act” 2021, which seeks to protect propane and natural gas from local bans, reflecting its pre-emptive resistance against forced climate progress.
Idaho 	1	2.5	1.5	3.5	-2	This Republican stronghold has recently passed legislation that limits the enforcement of ESG standards and has passed a gas ban pre-emption bill to legislatively protect gas from a future ban in the residential housing sector. This is tied to how Idaho is experiencing continued pressure to legislatively prevent the restriction of traditional energy assets, which has set the stage for further anti-climate legislation. This will likely cause Idaho to maintain a low score in the near term.

Election Battlegrounds

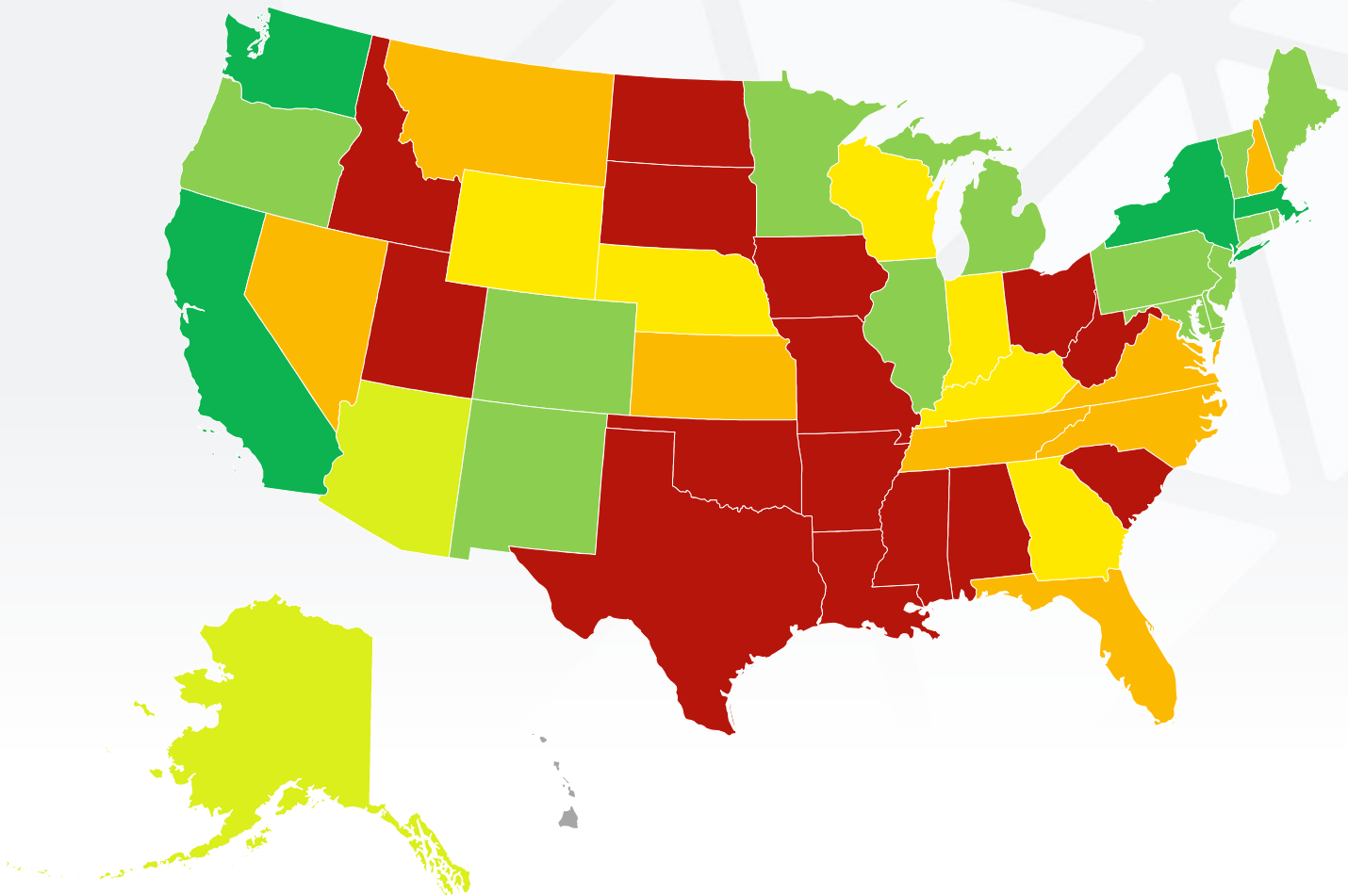
With climate on the ballot, election winners will have the mandate to direct policy for rollback or progress. These states are crucial as they can dramatically redirect the state climate trajectory.

As a critical election year and the potential for political power to switch party, there are a number of states that now have elevated rollback risk. Climate is at the forefront of political debate as a divisive issue swaying voters either way. The winners of these battlegrounds will likely have the ability to redirect state policy for better or worse.

State	Emissions	Power Generation	Transport	Buildings	Durability	Narrative
New Hampshire 	5	2	3.25	4	-1	With a competitive governor and house elections, the future of climate policy for New Hampshire is uncertain, exacerbated by the inconsistency of past policy due to the state's divided political landscape. Polls currently favor Ayotte, a Republican candidate who has been endorsed by the incumbent. She has previously stated that she would have an "all of the above" policy, prioritizing reducing energy costs while protecting the environment. A win for Ayotte would likely block local offshore wind development but develop nuclear within energy, with the potential to support emissions reductions routes that are economically viable being weary to impose significant cost to the population.
North Carolina 	4.5	3	3	3.5	-2	Recent state policy has comprised both climate progress and rollback, reflecting the divided nature climate policy in North Carolina. The upcoming elections are similarly divided by climate. A victory for Democratic Stein would progress climate policy, with rooftop solar and renewables power generation as priorities. Conversely, a Republican win for Robinson would result in a significant rollback on climate legislation, as he has explicitly denied the existence of climate change and seeks to protect the state against progressive climate policy on both a federal and state-level. This risk is particularly acute as the incumbent Cooper's climate executive orders can quickly be repealed. This will be particularly impactful given that the legislature is likely to remain Republican.
Washington 	4	5.5	5.5	5.75	1	Although a largely Democratic state, Washington is increasingly divided by climate as the incumbent took an aggressive stance against climate change. Implementing policies that have become expensive has alienated some voters, though the Democrats are still likely to maintain control and prevent any potential rollback in either case. This is especially true, as Washington is currently a climate leader, so rollback is highly unlikely and would be tempered by the house and senate.

Climate Leaders to Laggards; Credibility and Durability Map

Map of State Scores



State Scores

-  Climate Leaders
-  Positive Momentum
-  Late Adopters
-  Stagnant
-  Progress at Risk
-  Laggards

Our services and experts

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Our team of economists and energy experts assess country, policy and regulatory risk for asset owners and developers.

Baringa's global Climate Base Case provides a house view of the most likely course of the energy transition, utilizing our sector level Credibility & Durability methodology to optimize the deployment of capital into the energy transition.



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