

THE BOND BUYER

California treasurer sees event as a spur for green bonds

By

Keeley Webster

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California State Treasurer John Chiang is ramping up his support for green bonds by co-hosting a [Green Bonds Symposium](#) in Santa Monica on Feb. 27-28.

The event is being put together with the Milken Institute, a Santa Monica-based public policy think tank, and Environmental Finance, a London-based publishing company that reports on green finance.

Chiang, who is running for governor, called the bond market, and more specifically green bonds, an essential tool for raising the \$8 trillion needed in the U.S. to replace fossil-fuel power sources with low-carbon alternatives and the hundreds of billions needed in the state to replace and modernize crumbling roads, bridges, and water plants.

“With the U.S. already trailing China and Europe, California can fill the leadership void left by the current federal administration by facilitating the maturation of a domestic green bonds market that will pay for the new, less-polluting infrastructure we so desperately need to counter climate change,” Chiang said in a letter.

Green bonds, or debt issued by corporations or government agencies to finance environmentally-friendly projects, were first introduced in 2008.

The U.S. green municipal bond market grew to \$11.05 billion in 2017 up from \$7.11 billion the previous year; and it's expected to reach \$20 billion in 2018, according to a Climate Bonds Initiative report. New York edged out California in 2017 in green bond issuance pushing out \$4.59 billion compared to California's \$4.3 billion.

The first day of the event will consist of an invitation-only financial innovations lab hosted by the Milken Institute.

Researchers, policy makers, and others will work to generate market-based solutions to overcome challenges for green bonds during the innovations lab, according to the hosts. The focus will be on innovative structures, market function, investor interest, and market standardization issues to conquer the barriers to investment in green bonds in the United States. The same areas that the treasurer's office covered in its report, [Growing the U.S. Green Bond Market, Volume 1](#), released in January 2017.

The treasurer's office plans to produce a second report in Spring 2018 on findings from the innovations lab.

The second day will be a general [conference](#), open to everyone, with key note speakers, case studies and panels.

In 2016, Chiang said he conducted a multi-city listening tour meeting with three dozen investors, who control funds holding trillions of dollars, to discuss how to use bonds to encourage environmentally-friendly development.

"The need for a green bonds symposium grew directly out of my listening tour and the lagging performance here in this country," Chiang said.