

## Record \$11bn in Green Municipal Bonds in 2017 across US

### New York beats California as top issuer

### \$20bn investment forecast for 2018

**London 31/01/2018 15:00 GMT:** Annual US green municipal bond issuance reached a new record in 2017, passing the symbolic \$10bn mark with New York retaking the lead [from California](#) and becoming the US state with the highest 2017 issuance of municipal green bonds and the highest cumulative issuance.

Climate Bonds Initiative is forecasting \$20bn of green municipal issuance in 2018 as US cities and states ramp up climate action.

The latest Climate Bonds Initiative analysis of US municipal green bond market finds the December 31<sup>st</sup> 2017 total stood at an annual record of \$11.05bn, up from \$7.11bn in 2016. New York reached a total of \$4.59bn, followed by California's \$4.32bn for the year.

A giant December \$2.17bn [issuance](#) confirmed the NY Metropolitan Transportation Authority (MTA) as the leading US municipal green issuer to date, and was also the sixth largest green bond issued globally during 2017.

Other notable green municipal bond issuers in 2017 included California Health Facilities Financing Authority, Massachusetts Water Resources Authority, the State of Connecticut, Iowa Finance Authority, San Francisco BART, San Francisco PUC and New York State Finance Housing Authority. (Full 2017 list attached)

### Overall Muni Top Ten

Repeat green issuance from New York MTA totalling \$5.52bn (all Climate Bonds [Certified](#)) helped push New York State into overall first place. California, Massachusetts, Washington, Connecticut, Iowa, Indiana, Colorado, District of Columbia, and Illinois filled out the remaining Top Ten states for total cumulative issuance from 2013 to December 31<sup>st</sup>.

### International figures for 2017

Internationally, [Climate Bonds Highlights 2017](#) report shows that a [record \\$155.5bn](#) green bonds were issued in 2017 with the US leading the [Top 10 nations](#) at \$42.4bn. At \$11.05bn, green municipal issuance comprised 26% of the US total issuance for the year. Overall, US green bond issuance at \$42.4bn was almost double that of China (\$22.5bn) and France (\$22.1bn) second and third place respectively in the 2017 Top 10. (See Chart)

## **Water and Rail/Transit Dominate**

Sustainable water management reached a cumulative total of \$9.22bn at the end of 2017, raising over \$3bn in the last two years.

Helped by smaller bond issuances in California, the transport sector has come close to passing sustainable water as the largest overall segment of municipal green bonds with over \$8.54bn cumulative issuance in the market. \$5.39bn of this was issued in 2017 alone, more than double the \$2.08bn issuance of 2016.

65% of the projects financing low carbon transportation come from New York, 16% from Washington and 15% from California.

## **\$20bn forecast for 2018**

Climate Bonds is forecasting green municipal issuance to almost double to \$20bn in 2018. Primarily due to a combination of [city and state](#) based [climate leadership](#), an emphasis on infrastructure spending, and the need for climate aligned infrastructure and increasing institutional investor demand for green and ESG based investments.

## **Justine Leigh-Bell, Director of Market Development, Climate Bonds Initiative**

“It is encouraging to see US cities and states making strong commitments to implement their own climate action plans in light of Washington’s retreat from the Paris Agreement. This will lead to a growing interest in leveraging green bonds as a valuable tool for States and cities to finance their climate strategies. Climate action plans will increasingly be connected debt capital raising strategies and infrastructure investment.”

“The US continues to lead the way globally in green muni bond issuance. The next stage is to effectively link this new wave of green finance to real and measurable impacts.”

“More than 10 new US municipalities entered the green muni market in 2017. We expect this trend to sharpen as institutional investors increasingly seek green investment products for their portfolios.

“New York and California have been leading issuers of green bonds, notably in key sectors such as water and transport.”

“We expect we will see more examples of these types of investments following the State Treasurer’s February Green Bonds Symposium and Governor Brown’s September Global Climate Action Summit. California will look to position itself as the State paving the way on US climate action and working to stimulate sub national green issuance.

## **Patrick McCoy Director of Finance, New York MTA:**

“Everything the MTA does to operate an efficient public transportation system helps reduce the amount of carbon emitted into the atmosphere. CBI certification provides a form of recognition for the sustainability embodied by operating our transportation network, and CBI Certified MTA bonds are a vital tool for its capital investment.”

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## Notes for Journalists

**About the Climate Bonds Initiative:** The Climate Bonds Initiative is an investor-focused not-for-profit, promoting large-scale investment in the low-carbon economy. More information on [our website](#) here.

**2017 Municipal Green Bond Figures:** All figures quoted are from Climate Bonds data for labelled municipal green bonds that have closed as of 31/12/2017.

**2017 Global Green Bond Figures:** Climate Bonds *Greenbond Highlights 2017* [report](#) released on January 10<sup>th</sup> records global issuance at \$155.5bn. The announcement is [available here](#).

**2013 – 2017 Development of Municipal Green Bond Market:** Massachusetts was the first state to enter the green muni market [in 2013](#) with an [USD100m green bond](#). Issuance in New York and California started in 2014, the first CA issuer being California State (USD300m) and the first NY issuer, New York State Environmental Facilities raising USD213.6m.

Examples of significant US municipal issuers to date include the Central Puget Sound Transit Authority who have raised USD1.34bn, Massachusetts Water Resources Authority with USD1.04bn, San Francisco Public Utilities Commission USD1.04bn, and California Health Facilities Financing Authority \$983.4m.

**Previous milestones:** California was the first US state to reach \$5bn in municipal green bond issuance in [November 2017](#) but was overtaken by New York in December.

**California Green Finance Symposium 2018:** California State Treasurer John Chiang is convening a two day [Green Bond Symposium](#) on Feb 27-28, 2018 in partnership with the [Milken Institute](#) and [Environmental Finance](#), in Santa Monica.

**Climate Action Summit 2018:** Governor Gerry Brown will hold a [Global Climate Action Summit](#) in conjunction with the UNFCCC & other climate action leaders from September 12-14, 2018 in San Francisco.

**Table 2: Top 10 US Municipal Green Bond Issuers cumulative total and rank**

Issuer	Cumulative Amount Issued (USDbn)	Rank
New York	6.91 Bn	1
California	6.23 Bn	2
Massachusetts	2.92 Bn	3
Washington	1.82 Bn	4
Connecticut	0.83 Bn	5
Iowa	0.81 Bn	6
Indiana	0.75 Bn	7
Colorado	0.62 Bn	8
District of Columbia	0.55Bn	9
Illinois	0.37 Bn	10

**Table 3: Summary-Individual green muni bonds issued during 2017**

Simplified Issuer Name	Amount issued USD	Issue Date	Proceeds/ Project Type	CBI Certified
New York MTA	2.2bn	14/12/2017	Transport,	Yes
New York MTA	680.3m	17/05/2017	Transport,	Yes
New York MTA	662.0m	28/09/2017	Transport,	Yes
California Health Facilities Financing Authority (Kaiser Foundation Hospitals)	575.0m	03/05/2017	Energy Efficiency,	
Los Angeles County MTA	471.4m	31/10/2017	Transport,	Yes
City of Los Angeles	450.2m	24/05/2017	Water,	
California Infrastructure and Economic Development Bank (Ibank)	450.0m	23/03/2017	Water,	
California Health Facilities Financing Authority (Kaiser Foundation Hospitals)	408.4m	03/05/2017	Energy Efficiency,	
San Francisco Bay Area Rapid Transit (BART)	384.7m	01/06/2017	Transport,	Yes
San Francisco Public Utilities	384.6m	28/12/2017	Water,	Yes
Iowa Finance Authority	347.5m	14/12/2017	Water,	
New York MTA	312.8m	23/02/2017	Transport,	Yes
Massachusetts Water Resources Authority	254.7m	18/05/2017	Water,	
State of Connecticut	250.0m	15/06/2017	Water, Adaptation,	
California Pollution Control Finance Authority	228.2m	14/06/2017	Waste Management,	
Massachusetts Clean Water Trust	207.4m	13/04/2017	Water,	
New York MTA	188.9m	16/03/2017	Transport,	Yes
San Francisco Bay Area Rapid Transit (BART)	185.5m	28/12/2017	Transport,	Yes
East Bay Municipal Utility District	185.4m	22/06/2017	Water,	
City and County of San Francisco	171.4m	09/11/2017	Transport,	Yes
Indiana Finance Authority	145.5m	01/11/2017	Water,	

<b>Denver City &amp; County Board of Water Commissioners</b>	142.7m	23/05/2017	Energy Efficiency,	
<b>New York MTA</b>	136.6m	16/03/2017	Transport,	Yes
<b>San Francisco Public Utilities</b>	121.1m	13/12/2017	Water,	Yes
<b>New York State Housing Finance Agency</b>	115.2m	02/11/2017	Energy Efficiency,	Yes
<b>District of Columbia Water</b>	100.0m	23/02/2017	Water,	
<b>Commonwealth of Massachusetts</b>	100.0m	13/04/2017	Energy Efficiency, Water, Land Use, Adaptation,	
<b>New York State Environmental Facilities</b>	91.6m	09/11/2017	Water,	
<b>The Metropolitan Government of Nashville and Davidson County</b>	89.4m	02/11/2017	Water,	
<b>New York State Housing Finance Agency</b>	78.4m	29/06/2017	Energy Efficiency,	Yes
<b>East Bay Regional Park District</b>	74.6m	06/12/2017	Transport, Land Use, Adaptation,	
<b>New Jersey Environmental Infrastructure Trust</b>	72.8m	31/01/2017	Water, Adaptation,	
<b>Santa Monica Public Financing Authority</b>	68.6m	14/09/2017	Energy Efficiency,	
<b>San Diego Unified School District</b>	59.0m	01/11/2017	Energy, Energy Efficiency, Water, Waste Management, Adaptation,	
<b>New York State Housing Finance Agency</b>	56.3m	16/03/2017	Energy Efficiency,	Yes
<b>New York State Housing Finance Agency</b>	53.9m	12/01/2017	Energy Efficiency,	Yes
<b>Fort Bend ISD</b>	47.5m	01/04/2017	Energy Efficiency,	
<b>South Carolina Jobs-Economic Development Authority</b>	43.9m	21/12/2017	Waste Management,	
<b>Massachusetts Development Finance Agency</b>	43.5m	20/12/2017	Energy Efficiency,	
<b>New York State Housing Finance Agency</b>	40.9m	28/09/2017	Energy Efficiency,	Yes
<b>Berkshire Wind Power Cooperative</b>	40.2m	22/12/2017	Energy,	
<b>New Jersey Environmental Infrastructure Trust</b>	33.5m	31/01/2017	Water, Adaptation,	
<b>New Jersey Environmental Infrastructure Trust</b>	31.6m	25/05/2017	Water,	
<b>King County</b>	31.2m	08/06/2017	Waste Management,	
<b>Fremont Union High School District</b>	31.2m	11/07/2017	Energy Efficiency,	
<b>Rhode Island Infrastructure Bank</b>	28.1m	13/04/2017	Water,	
<b>City of Greensboro</b>	25.9m	17/08/2017	Water,	
<b>City of Long Beach, California</b>	25.9m	28/06/2017	Energy Efficiency,	
<b>Midpeninsula Regional Open Space District</b>	25.0m	28/12/2017	Land Use, Adaptation,	
<b>New Jersey Environmental Infrastructure Trust</b>	22.7m	21/11/2017	Water,	
<b>Trinity Public Utilities District</b>	20.8m	01/11/2017	Energy,	
<b>Martha's Vineyard Land Bank</b>	20.1m	01/03/2017	Land Use, Adaptation,	
<b>City and County of Honolulu</b>	20.1m	14/09/2017	Waste Management,	
<b>City of Lawrence, Kansas</b>	11.4m	24/05/2017	Energy Efficiency,	
<b>Rhode Island Infrastructure Bank</b>	11.3m	10/05/2017	Water,	
<b>City of St Paul</b>	7.9m	06/04/2017	Water,	
<b>Vermont Municipal Bond Bank</b>	6.1m	15/03/2017	Energy Efficiency,	

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