

Climate Action Plan for 2019

A BLUEPRINT FOR PROGRESS



An Urgent Call for Vermont Leadership on Climate Change

*A Vision for Climate Stability,
Energy Independence,
Equity and Affordability*

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At a time when the federal government has launched an assault on our environment and put polluters in charge of key federal agencies, states must take strong action now to slow climate change and protect the health of families and communities, as well as the natural world that sustains us. The world's leading medical societies and hospitals are calling climate change a "global health emergency." And the world's leading climate scientists from the UN's Intergovernmental Panel on Climate Change in their October 2018 report said that avoiding the most catastrophic consequences of climate change will require **"rapid, far-reaching and unprecedented changes in all aspects of society."** How? *Cut fossil fuel use by about half in 12 years.*

While Vermont has made some progress, we are far from meeting our statutory climate action commitments. In fact, *the latest Agency of Natural Resources study shows Vermont's climate pollution rose 10% in just two years.* **Leadership to reverse this trend is urgently required.**

We can and must take serious steps towards reducing carbon pollution emissions. If we take



meaningful action, we can do our part on climate change and create more energy independence, enhance public health, improve the lives of low-income Vermonters, protect wildlife, and sustain our forests, which play a critical role in helping to slow climate change by taking carbon out of the atmosphere. We can also generate tremendous economic opportunity – putting Vermonters to work

weatherizing homes, deploying advanced wood heat and heat pumps, installing solar, providing more efficient transportation options and more. **What we are missing is the political will and public policy framework necessary to meet the challenge.**

We must act swiftly. We must protect the most vulnerable from the health impacts of climate change. We must safeguard wildlife, forests, rivers and lakes so that our children can experience the rich diversity of life in Vermont's hills and fields. We must ensure all Vermonters, regardless of income, can participate in clean energy solutions. And we must advance policies, such as carbon pollution pricing, that address this problem comprehensively – across our economy and all Vermonters' lives.

We urge all Vermont legislators and Governor Phil Scott to champion and support the following proposals this legislative session:

- **Double the number of low- and moderate-income homes weatherized every year.**
- **Create an electric vehicle incentive program, prioritizing low- and middle-income Vermonters**, using the \$4.5 million in consumer protection VW settlement dollars as an initial investment and direct the remaining federal Volkswagen (VW) settlement dollars (Appendix D) to vehicle electrification.
- **Join other New England states in enacting a Global Warming Solutions Act** to require progress on our climate commitments.
- **Expand the deployment of local renewable power**, as we work to beneficially electrify more of our heating and transportation needs.
- Review the results of the nonpartisan Joint Fiscal Office analysis on ways to **cut carbon pollution across our economy** and advance the policy that works best for Vermont to reduce emissions, grow jobs and protect the most vulnerable.
- **Prohibit the expansion of new large-scale industrial fossil fuel infrastructure**, like pipelines, an expensive, shortsighted investment in a likely soon-to-be stranded asset.

Tackling climate change is the most urgent issue of our time.
Addressing it will require a response that is commensurate to the challenge.
Bold action is needed *today*.

**We call on our elected officials to commit to these initial steps in 2019
and stand ready to take even bolder steps in the future.**

SIGNED BY:

Capstone Community Action
Cathedral Square Corporation
Conservation Law Foundation
Champlain Valley Office of Economic Opportunity
Downstreet Housing & Community Development
Vermont Conservation Voters
Vermont Natural Resources Council
Audubon Vermont
Renewable Energy Vermont
Rights & Democracy
Sierra Club – Vermont Chapter
Vermont Affordable Housing Coalition
Vermont Businesses for Social Responsibility

Vermont Climate and Health Alliance
Vermont Interfaith Power and Light
Vermont Low Income Advocacy Council
Vermont Public Interest Research Group
NeighborWorks of Western Vermont - Heat Squad
Vermont Youth Lobby
350Vermont Vermont
Vermont Interfaith Action
Toxics Action Center
Vermont Yankee Decommissioning Alliance
Vermonters for a New Economy
The Nature Conservancy

Accelerate the Weatherization of Vermonters' Homes

Weatherizing our homes and businesses in Vermont is an urgent need for our economy, affordability, and our climate. Weatherization supports thousands of jobs, saves Vermonters millions of dollars every year, and is a foundation of our state's comprehensive energy plan.

We ask the Vermont General Assembly and Governor Phil Scott to heed the recommendation of the Governor's Climate Action Commission to **double the number of low- and moderate-income homes weatherized per year starting in 2020**. This would take us from roughly 2,000 homes weatherized to 4,000 per year. This achievable and modest step forward would leverage the existing services of Weatherization Agencies that serve low-income Vermonters, private contractors who serve moderate-to-higher income Vermonters, and the incentives and services offered statewide through Efficiency Vermont.

Why double low-income weatherization, and why now?

1. Weatherization keeps money in our state's economy.

According to the Energy Action Network's 2018 Annual Report, 78 cents of every dollar spent on fossil fuels leaves Vermont, equating to nearly \$1.5 billion per year.

2. Weatherization supports jobs and grows our economy. According to the 2018 US Energy and Employment Report, over 10,900 Vermonters are employed in energy efficiency, with over half working in construction, manufacturing, and trades. Every dollar spent on weatherization stays in Vermont and supports local jobs in the building trades.

3. Weatherization helps the most vulnerable

Vermonters, those who bear the highest burden of energy costs. Many Vermonters spend over \$2,000 per year to heat their homes. For those living in fuel poverty, this can equal 5-10% of their annual incomes, sourced by fuel oil and propane.

4. Weatherization reduces greenhouse gas emissions.

According to the Energy Action Network's 2018 Annual Report, 80% of Vermont's heating comes from fossil fuels. Weatherizing an additional 60,000 homes (as required by statute) would remove 340,000 metric tons of carbon dioxide from the atmosphere, the equivalent to removing 72,805 cars from the road for a single year.

5. We are woefully behind in meeting our state's

climate commitments to weatherize 60,000 homes by 2017 and 80,000 by 2022. According to the most recent report issued by the Department of Public Service, in the ten years since the state's goals were set in 2007, we have weatherized over 25,400 homes, over half of which were low-income.





What steps must be taken in 2019?

As a start, we ask the Legislature to reauthorize the current funding sources for the low-income Weatherization Assistance Programs offered to Vermonters with incomes at or below 80% of HUD Area Median Income.

Next, we ask the Legislature to double the number of low- and moderate-income homes weatherized, focusing on customers earning up to 120% of median income, as recommended by the Governor's Climate Action Commission.

We recognize that these modest advancements – while achievable from a market and workforce standpoint – are not sufficient in meeting our state commitments to affordability and efficiency. However, it's a step in the right direction – one we must take in 2019.

Lead organizations working on this initiative that you can contact for additional information include:

Building Performance Professionals Association
Capstone Community Action
NeighborWorks of Western Vermont - Heat Squad
Energy Futures Group
Renewable Energy Vermont
Vermont Affordable Housing Coalition
Vermont Natural Resources Council
Vermont Conservation Voters
Vermont Public Interest Research Group
Vermont Businesses for Social Responsibility
Efficiency Vermont
Vermont Climate and Health Alliance

Spur the Transformation of Our Transportation System

Transportation is the largest contributor to Vermont's greenhouse gas emissions of all sectors – equating to almost 45 percent of the state's climate pollution. Vermont has the opportunity to deploy a diverse set of strategies – more efficient, electric vehicles; more compact, walkable communities; more options to take the bus, ride a bike, walk or use rail – to get people where they need to go. Tackling this energy-intensive sector strategically can have many benefits – reducing climate pollution, growing jobs and helping vulnerable Vermonters transition into more clean, affordable mobility options.

Why transform the transportation sector, and why now?

1. Transportation choices, and access to more efficient solutions, will help the most vulnerable Vermonters.

Transportation plays a critical role in terms of access to and the ability to hold a good job. A recent report concluded that transportation is the single greatest impediment to economic opportunity and job security for low income people noting that “possession of a driver's license and a car was a stronger predictor of leaving public assistance than even a high school diploma.”¹

2. Transportation transformation is essential to reducing greenhouse gas emissions and meeting the state's climate and clean energy commitments.

According to the Energy Action Network's 2018 Annual Report, only 5 percent of the energy used for transportation in Vermont comes from renewable fuels. Multi-pronged strategies will be required to make our transportation system more efficient, clean, renewable and, ultimately, far more affordable.

What steps must be taken in 2019?

1. Expand efficient mobility through targeted use of the Volkswagen (VW) settlement funds.

a. Create a program for Vermonters with lower incomes to access electric or hybrid vehicles.

Create a point-of-sale, income-sensitive incentive – using the \$4.5 million from VW consumer protection settlement dollars now destined for the General Fund, including a pilot program in partnership with Vermont Community Action Agencies to make electric vehicles (EVs), or potentially used hybrid vehicles, available to Vermonters with lower incomes.

b. Dedicate all the remaining federal VW Settlement funds (Appendix D) to electric vehicles and EV infrastructure.

2. Authorize third-party electric vehicle charging and per kilowatt hour sales to make EV charging infrastructure easier to deploy and more accessible.

1. <https://www.sierraclub.org/wisconsin/newly-released-arrive-together-transportation-access-and-equity-wisconsin>

3. Undertake a robust analysis of the state's transportation system and develop a transportation and climate pollution reduction strategy that will be ready for action in 2020. Fund this study as part of the Transportation Bill.

- a. Examine the environmental impacts of transportation. Review climate impacts of current policies. Establish a Vehicle Miles Traveled and CO₂ emission baseline, and develop a strategy for decreasing climate-related emissions.
- b. Examine governance structures for a comprehensive multi-modal statewide transportation system, including viability of a Vermont Transportation Authority.
- c. Examine the accessibility, cost, and workability related to expanding options for:
 - On-demand micro-transit strategies
 - Buses - electric buses in particular
 - Bike paths, infrastructure and safety
 - Pedestrian facilities
 - Passenger rail, including intercity rail within Vermont (Budd cars, rail corridors)

4. Ensure participation and accountability with the regional Transportation & Climate Initiative (TCI).

- a. Establish a legislative role to track and shape the TCI process to ensure oversight, transparency and synergy in state transportation strategies. Include legislative reporting requirements to Legislative Committees on Transportation, Energy and Technology and Natural Resources.

5. Ensure Act 250 reflects the needs and opportunities of the 21st century, focusing on creating more bike and pedestrian friendly developments and transportation solutions that are more energy efficient and offer alternatives to the single occupancy vehicle.

Lead organizations working on this initiative that you can contact for additional information include:

- Capstone Community Action
- Vermont Natural Resources Council
- Vermont Conservation Voters
- Renewable Energy Vermont
- Vermont Public Interest Research Group
- Conservation Law Foundation



Enact a Vermont Global Warming Solutions Act

Climate change is the biggest environmental and public health challenge of our generation. Since 1990, climate-damaging greenhouse gas emissions have increased 16 percent in Vermont, despite Vermont's statutory goals aiming for significant climate pollution reductions, and despite the job-creating opportunity in meeting those commitments.

It is time to move past aspirational goals and affirmatively commit Vermont to significant carbon pollution reductions – just as other New England states have already done. To avoid the worst impacts of climate change, the most recent report by the International Panel on Climate Change, which included more than 90 of the top climate scientists from 40 countries, shows that we need to reduce our emissions to zero by 2050.

We ask the Vermont General Assembly and Governor Scott to support legislation that requires enforceable and timely limits across all sectors to curb greenhouse gas emissions (GHG). The requirement should include making measurable progress each year towards reducing greenhouse gas emissions to zero by 2050.

Why a Vermont Global Warming Solutions Act, and why now?

- 1. Tackling climate change demands serious commitment.** Our past actions have proven inadequate and have not reduced emissions. Having a mandatory requirement provides the benchmark and the yardstick to guide state actions.
- 2. Practical and proven success.** The New England states that have passed a Global Warming Solutions Act have achieved the greatest GHG reductions and have done so while growing their economies.
- 3. Bend the curve and guide future actions.** Since 1990 Vermont's climate-harming emissions rose 16 percent. We need to quickly move the trajectory in the opposite direction and make meaningful progress each year.
- 4. Foster innovation.** Requirements to reduce GHG emissions will foster innovation and job growth in the fastest growing sector of the economy, bringing more jobs and innovation to Vermont with renewable and clean energy solutions.

- 5. Health impacts.** Curbing carbon pollution protects the health of all Vermonters and vulnerable populations most affected by the ravages of air pollution and climate change.

What steps must be taken in 2019?

1. The Vermont Legislature should pass a Global Warming Solutions Act that requires reductions in harmful climate polluting emissions to zero by 2050 and ensures measurable progress each year.
2. Vermont agencies should implement the required reductions through their regulations, permitting, and investments to achieve the needed emission reductions.

Lead organizations working on this initiative that you can contact for additional information include:

Conservation Law Foundation
Renewable Energy Vermont
Vermont Natural Resources Council
Vermont Businesses for Social Responsibility
Vermont Conservation Voters
Vermont Public Interest Research Group
The Nature Conservancy

Move Vermont to 100% Renewable Energy

In order to get back on track toward meeting Vermont's statutory climate and clean energy commitments, the state needs to improve the integrity, transparency, and effectiveness of its energy laws. **Vermont must move towards a 100% renewable electricity standard with strong verification mechanisms and qualifying energy supplies consistent with our neighboring states.** As we work to beneficially electrify and decarbonize our heating and transportation energy needs, we must expand deployment of clean, local renewable power.

Why a 100% Renewable Energy Standard, and why now?

1. Local renewable electricity creates jobs for Vermonters and keeps money in our state.

A fully transformed clean energy economy offers tremendous opportunity for entrepreneurship, well-paying jobs and social justice. Billions of dollars are currently spent on imported dirty fossil fuels that go to foreign and other out-of-state sources. By keeping more of that money local, and putting Vermonters to work installing projects, we will grow our economy.



2. Local renewable electricity creates climate resilient communities, increases energy choices, and improves access to innovative advanced energy technologies for all Vermonters.

Fossil fuels dominate heating and transportation, and play a far too central role in the electricity that we import. **Replacing costly and inefficient fossil-fueled vehicles and heating with efficient electric options is essential and must be paired with local renewable electric generation** if we're going to truly cut carbon pollution as fast as the science says we need to.

4. **Vermont's current statutes are inadequate.** Even when fully implemented in 2032, Vermont's Renewable Energy Standard only requires 10% of power to come from new local renewable energy sources. Further, recent changes to net metering rules have slowed the pace of installation of solar projects, making progress toward our climate goals harder to achieve, and resulting in a loss of more than 300 jobs.

What steps must be taken in 2019?

1. Maintain local renewable electricity access through strong net metering and Standard Offer opportunities.
2. Bar fossil fuel projects and programs from eligibility under Tier III (the "Vermont Energy Innovation Program") of the Renewable Energy Standard.
3. Support policies that create a more efficient, modern grid capable of maximizing the benefits of local renewable electricity.

Lead organizations working on this initiative that you can contact for additional information include:

Renewable Energy Vermont
Vermont Public Interest Research Group
Vermont Businesses for Social Responsibility
Vermont Conservation Voters
Vermont Natural Resources Council
350VT

Review and Act on the Joint Fiscal Office Decarbonization Study to Strengthen the Economy, Address Equity and Reduce Pollution

While Vermont has ambitious climate pollution reduction goals, the reality is that emissions are rising and the Green Mountain State is increasingly part of the problem instead of the solution.

What's more, rising fossil fuel use means even more money leaving the Vermont economy to pay for those dirty fuels - every drop of which is imported into our state. With 8 of every 10 dollars spent on fossil fuels being siphoned out of the State of Vermont, our rising carbon pollution isn't just a climate liability, it is a massive drain on our economy as well.

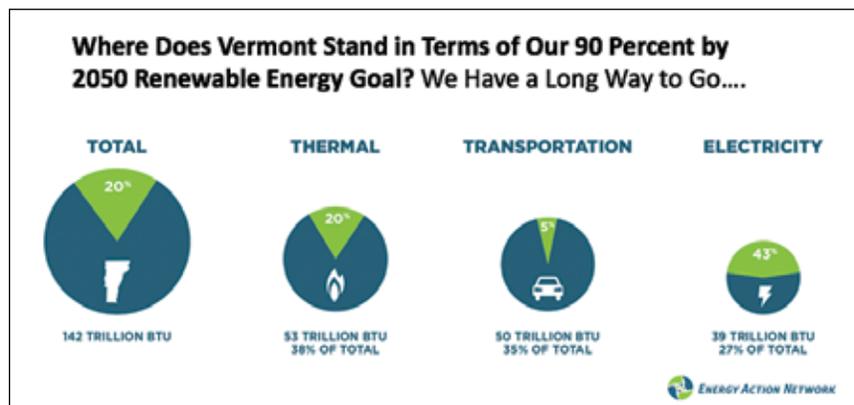
To address this failure, Gov. Phil Scott reaffirmed Vermont's commitment to reduce greenhouse gas emissions from all sectors of the economy through Executive Order 12-17. To meet our state goals, the governor created the Vermont Climate Action Commission to develop a plan to:

- Implement the long-term 90 percent by 2050 total renewable energy goal of the Vermont Comprehensive Energy Plan;
- Reduce greenhouse gas emissions from all sectors, including those sectors not addressed in the Vermont Comprehensive Energy Plan; and

- Stimulate or support investment in the development of innovative technologies and strategies that have significant potential to reduce greenhouse emissions in Vermont.

One of the Climate Action Commission's first recommendations was for "an independent, non-partisan evaluation of the full spectrum of regulatory and market-based approaches to reducing GHG, including carbon pricing mechanisms, carbon market opportunities, and regulatory control poli-

cies. The Commission recommends the Legislature's Joint Fiscal Office contract that study with a well-respected, independent research organization to provide Vermonters with the information needed to make informed decisions."



This study was authorized through Act 11 and the non-partisan and highly-respected Joint Fiscal Office retained Resources for the Future, a premier academic research firm, to conduct the analysis. The report will be released in January 2019 and is expected to discuss the economic, equity and environmental implications of several decarbonization strategies, including:

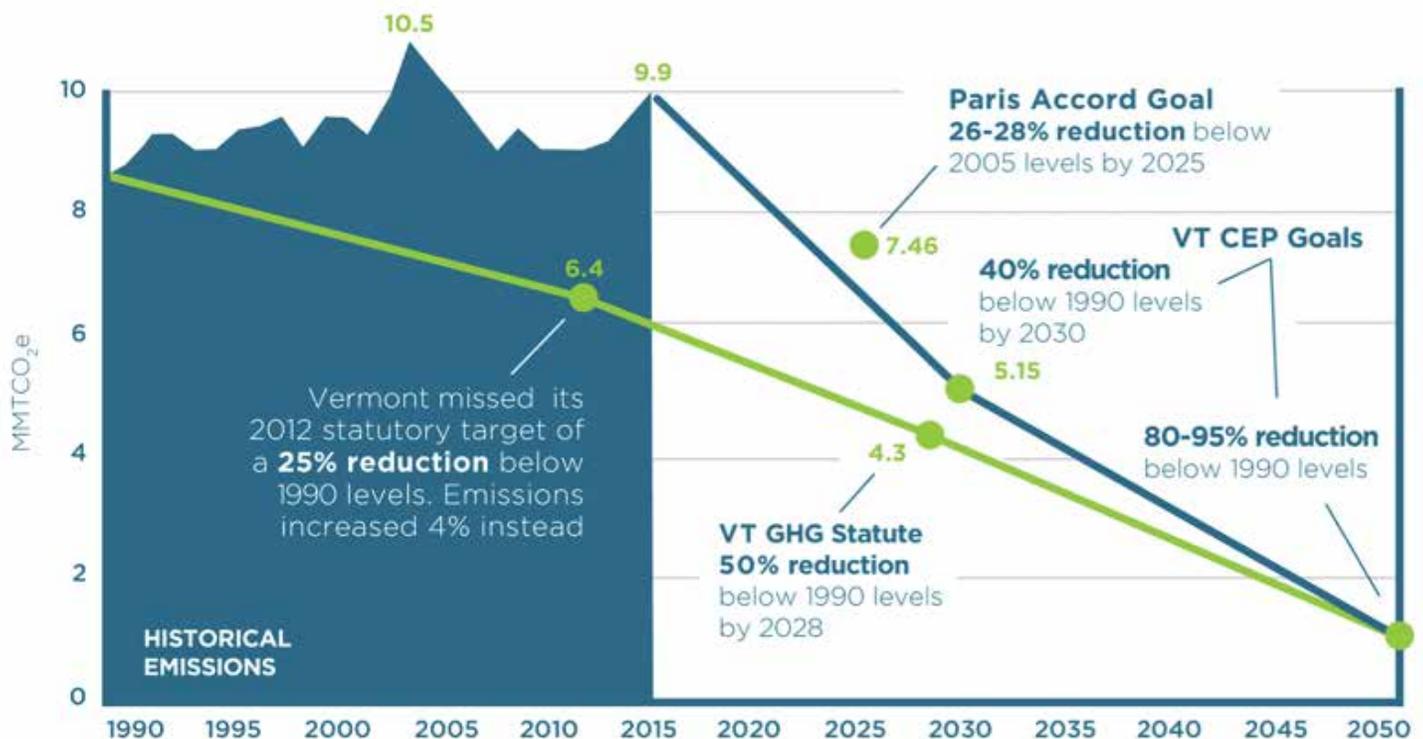
- The Transportation & Climate Initiative (TCI) - a multi-state effort in the Northeast to design a carbon pricing mechanism for transportation fuels;
- The Western Climate Initiative (WCI) - the economy-wide carbon pricing program that includes California, Quebec and Nova Scotia;
- The Economy-Strengthening Strategic Energy Exchange (ESSEX) Plan - a proposal to use the proceeds of a carbon pollution fee to reduce the cost of electricity; and
- Other tax swap, fee-and-dividend and regulatory approaches to reduce Vermont emissions, strengthen the economy and address inequality.

What steps must be taken in 2019?

Lawmakers and stakeholders should do a thorough review of the Joint Fiscal Office report. If there are policies that can strengthen the Vermont economy, prioritize the most vulnerable Vermonters in a transition to cleaner, more-affordable energy and reduce the pollution causing the climate crisis then legislators and the governor should enact them without delay.

Lead organizations working on this initiative that you can contact for additional information include:

- Vermont Low Income Advocacy Council
- Vermont Businesses for Social Responsibility
- Conservation Law Foundation
- Vermont Natural Resources Council
- Vermont Conservation Voters
- Vermont Public Interest Research Group



Limit Fossil Fuel Infrastructure Expansion

Vermont is already off-track for meeting our statutory greenhouse gas emissions reduction goals, and the task will be made much more difficult – if not impossible – if we continue to approve and invest in large-scale fossil fuel infrastructure.

To ensure state policies will keep us on track to meet our commitments, Vermont should prohibit the expansion of large-scale industrial fossil fuel infrastructure, like pipelines. We already know that infrastructure like fossil fuel pipelines are an expensive, shortsighted investment, and a soon-to-be stranded asset. Pipelines and other new infrastructure generally have an operating lifetime of at least 40-50 years, far beyond the time horizon by which Vermont is to achieve its clean energy goals. To achieve our climate and clean energy goals, **Vermont needs to be building renewable energy infrastructure, not new fossil fuel infrastructure.**

Why limit fossil fuel infrastructure, and why now?

- 1. Vermont is falling short of reaching its greenhouse gas emissions goals.** In fact, the latest Agency of Natural Resources inventory highlights that emissions have increased 16% *above* 1990 levels, when they should be 25% *below* those levels by now. Much of the proposed fossil fuel infrastructure in recent years has been for the conveyance and consumption of natural gas – a fuel that over its lifecycle emits significant methane pollution – a potent greenhouse gas.
- 2. New natural gas infrastructure is unsafe.** Vermont Gas Systems' new pipeline, which began operating in 2017, is under investigation for at least eight categories of alleged safety and construction violations, which mirror circumstances that led to explosions in several other states across the country, including a recent tragedy in Lawrence, MA.
- 3. Fossil fuel technology is not keeping up with its renewable counterparts.** Renewable energy and efficiency, whether in the form of traditional efficiency like weatherization, or newer efficient heating sources such as cold climate heat pumps, are less expensive over their lifetimes and are more stably priced than gas or other fossil fuels. In addition, the cost of renewable energy continues to come down, making it increasingly accessible to and affordable for Vermonters.
- 4. Fossil fuels are tied to a host of other problems including contaminated waters, human rights violations, and other human and environmental impacts.** Much of the natural gas sold in Vermont originates from fracking fields in Alberta, often on indigenous lands. Treaty rights have often been broken or ignored, and human health impacts, from cancer to miscarriages, disproportionately affect marginalized communities. Groundwater and surface waters can be contaminated by fracking wastewater. Vermont banned fracking within our borders, and should not simply export these human and environmental harms to other communities.

What steps must be taken in 2019?

1. **Enact a ban on new large-scale fossil fuel projects in the state** (see list of proposed exemptions below).¹
2. **Bar fossil fuel projects and programs from eligibility under Tier III** (the “Vermont Energy Innovation Program”) of the Renewable Energy Standard.
3. **Support and advance policies that stimulate the growth of renewable energy sources and efficiency to decrease our dependence on fossil fuels.**

Lead organizations working on this initiative that you can contact for additional information include:

350VT
Vermont Public Interest Research Group
Conservation Law Foundation
Toxics Action Center



1. Exemptions should include: maintenance to existing infrastructure; motor vehicle service facilities; small-scale distribution lines to residential or commercial buildings from existing pipelines or from storage facilities to which fuel is delivered by truck, as well as interstate facilities regulated by the Federal Energy Regulatory Commission (FERC).

Conclusion

The urgency and economic opportunity of acting on climate change has never been higher. By acting on the recommendations laid out in this report, this year, the Vermont Legislature has a vital opportunity to make tangible progress on meeting our climate commitments, while helping all Vermonters transition to clean, local, affordable options to heat their homes, move around, and generate electricity.

Truly transforming our economy away from imported, dirty fossil fuels will require far more than the recommendations outlined here, however. This set of policy recommendations will take the state a strong step forward in minimizing the significant economic and environmental costs of business as usual and, instead, help put all Vermonters – in particular the most vulnerable – on a path to a more affordable, healthy, prosperous future.

Failing to implement the solutions we know are needed puts our economy at risk and pushes off the high cost of climate inaction on young people and future generations. There is likely no greater economic and equity-creating opportunity than acting strategically to address climate change. The organizations supporting this platform look forward to partnering with policymakers and all Vermonters to ensure the state gains the public health, economic, equity and environmental benefits of action on climate.





Some members of the legislative Climate Solutions Caucus.

The organizations signed onto these climate action priorities look forward to working with policy makers and all Vermonters to tackle climate change in a way that grows jobs, protects the most vulnerable, enhances public health and safeguards our natural resources.

