

The Honorable Patrick Leahy
437 Russell Senate Building
United States Senate
Washington, DC 20510

The Honorable Peter Welch
2187 Rayburn House Office Building
U.S. House of Representatives
Washington, DC 20515

The Honorable Bernie Sanders
332 Dirksen Building
United States Senate
Washington, DC 20510

April 16, 2020

Dear Senator Leahy, Senator Sanders, and Congressman Welch,

On behalf of the below-listed Vermont organizations, and the tens of thousands of Vermonters we represent, we are writing to express our gratitude for your leadership in crafting critical emergency response measures to the public health, social, and economic crises caused by the COVID-19 pandemic. We also strongly believe that while our state and nation face incredibly challenging days ahead, we can and must shape emergency response and recovery measures that simultaneously address some of the other pressing challenges we face, including climate change and inequities embedded in our current systems.

As Congress continues to identify specific investments to be made through stimulus spending, we urge you to advocate for investments that will rebuild our local economies and communities, and simultaneously enhance our long-term resilience and sustainability. Examples of the types of investments that will help achieve these concurrent goals include: supporting deployment of local, clean energy; investing in energy efficiency measures; rapidly decarbonizing our transportation sector; ensuring new infrastructure investments are built to withstand the impacts of a changing climate; investing in projects to improve water quality, restore habitats, mitigate flood scenarios, and support our local forest economy; enhancing outdoor recreation economy opportunities; and supporting local food systems and regenerative agriculture. By funding these programs now, as the economy reopens, we stand ready to put people to work helping us build a stronger Vermont now and for the future.

We also urge you to fight any rollbacks to laws and regulations designed to protect our public health and natural resources. As communities suffer through the impacts of the coronavirus, allowing increased pollution - which often exacerbates social and racial inequality - is exactly the wrong response to this crisis.

Here are some specific recommendations for how federal or state emergency response and stimulus dollars could be spent to simultaneously rebuild our economy and communities, while supporting a more resilient Vermont.

Invest in Renewable Energy & Efficiency Programs

We must act on climate change and ensure any energy investments are focused entirely on building a clean energy economy and increasing energy efficiency. Supporting renewable energy and energy efficiency is important for driving economic growth and creating local jobs, particularly in rural areas. The nation's experience under ARRA demonstrates the kinds of win-win investments that the clean energy sector can bring to bear on economic crises such as the one we are facing today – where investing in programs such as low-income weatherization will create jobs, cut energy use, and save some of the most vulnerable Vermonters on their energy bills.

Many of the recommendations below involve tax credits, which have been a critical tool for encouraging the deployment of climate measures while creating jobs, from the solar ITC, to the EV tax credit, to the numerous energy efficiency tax credits created over the years. However, the nature of those incentives means that lower-income Americans, many seniors on fixed income, the non-profit sector, municipal governments and others have largely been unable to take advantage of them. As a result, these people and entities have, to a notable degree, been left out of the transition to a clean energy economy – a transition that would have created even more jobs with their participation.

Given the economic crisis the United States is facing and the fact that both American families and American businesses will have less income and less tax liability because of the crisis, these tax credits should whenever possible be refundable or available as direct cash payments and, when appropriate, be available at time of purchase. Allowing for that flexibility will mean more clean energy and efficiency deployed, and more Americans put back to work.

Renewable Energy

- Expand and pass a 5-year extension of the Section 48 and Section 25D solar Investment Tax Credit (ITC), and ensure inclusion of energy storage for the length of the investment tax credit period, including any extensions under this relief program, and postpone the corresponding placed-in-service deadlines.
- Extend the Safe Harbor agreement outlined in IRS Notice 2018-59 to accommodate all equipment delivered by the end of the years in 2020 and 2021, so long as the respective projects are placed in service by the end of the ITC phase-down period and the equipment was ordered and paid for in the previous year.
- Congress should also consider renewing a number of the programs implemented or expanded under ARRA, including the Smart Grid Investment Grant Program (updated to reflect the emergence of new energy storage technologies and the other dramatic changes to the electric landscape in the last decade), the State Energy Program, and the Community Renewable Energy Deployment program. These initiatives have a proven track record of success, put Vermonters to work once already during the Great Recession, and could rapidly be deployed to once again to help Vermont and America's economies recover while cutting families' and businesses' energy bills - and climate pollution.
- Prioritize and expand workforce training opportunities in the energy efficiency, renewable energy and trades sectors to support and accelerate the transition to a more resilient, distributed energy system. To support far more beneficial electrification for thermal and

transportation needs, states will need trained, skilled workers including electricians, plumbers, energy efficiency contractors, and general contractors. Training programs that accelerate building this workforce, as we rebuild our economy, will be important.

- Increase incentives for cold-climate heat pumps for low- and moderate-income earners.
- Expand broadband infrastructure in rural locations to promote internet access and telecommuting.

Energy Efficiency

Energy efficiency measures must also be a key part of our economic recovery efforts. The energy efficiency industry—which employs over 10,000 Vermonters—has been particularly hard hit by this crisis. In order to power a recovery that not only saves Vermonters money, but reduces greenhouse gas emissions, we suggest the following short-term measures. All of these are “shovel ready” projects that can tap into an eager workforce that will be looking to quickly ramp up once social distancing restrictions are lifted:

- Expand weatherization assistance funding – especially targeting low-income households – and boost funding/incentives for weatherizing multi-family and rental housing.
- Provide direct funding for energy retrofits for vacated K-12 schools, in order to improve energy performance and lower energy bills for school districts already facing potential budget shortfalls.
- Resurrect the Energy Efficiency and Conservation Block Grant program for states that can be used to immediately launch job-intensive renewable energy projects and energy efficiency programs for municipal buildings. Previous clean energy-related block grant programs created about 63,000 jobs and saved electricity users \$5.2 billion nationally, according to E2 (Environmental Entrepreneurs).
- Consider prioritizing investments in the municipal buildings which undertook audits for ARRA-funded projects but were never completed.
- Provide funding to expand incentives for the groups that need them most: low- and moderate-income Vermonters, small businesses, nonprofit organizations, and farms. All of these groups need help lowering their energy bills and by helping them adopt efficient appliances, heating and cooling solutions, lighting, and other equipment, they will save money and reduce greenhouse gas emissions.
- Establish low-cost and creative financing alternatives for energy efficiency projects for homeowners, landlords, and small businesses—especially those hardest hit by the current crisis. This would allow them to make needed energy efficiency upgrades that can save money in the long term.

Invest in Transforming our Transportation Sector

Investing in a 21st-century transportation infrastructure is essential to meeting our climate targets, and can result in significant job creation, economic development and access and opportunity for more vulnerable Vermonters.

- Incorporate provisions from the Electric CARS Act of 2019 (introduced by Rep. Welch and Sen. Merkley), which would lift the per-manufacturer cap on Electric Vehicle (EV) tax credits (a provision that right now is only hitting domestic manufacturers), make the tax credit available at time of sale, and extend the credit for both EVs and EV charging infrastructure for 10 years. This action could go even further if combined with a used-EV tax credit, and credits for the heavy-duty electric vehicles that are becoming more and more widely available.
- Direct funding to expand the new high-efficiency vehicle program being implemented by the state's community action agencies, which provides direct incentives to move from a lower-mileage vehicle to the purchase or lease of a used, higher fuel efficiency vehicle (such as a hybrid) to enable more lower-income, vulnerable and rural Vermonters access to more efficient, affordable, used vehicles.
- Consider establishing a "Clean Cars for All" program; retiring older, more polluting vehicles and providing incentives for new or used electric vehicles or other, cleaner transportation options for low-income earners (such as electric bikes, transit passes, and electric motorcycles).
- Promote clean vehicle manufacturing by expanding the entities eligible to apply for the Advanced Technology Vehicles Manufacturing (ATVM) Loan Program, providing at least \$2.5B to fund the Section 48C Manufacturing Tax Credit Program, modifying the Section 45M technology production tax credit, expanding the Advanced Battery Manufacturing Grants and providing at least \$500M to fund the Section 132 Domestic Manufacturing Conversion Grant Program.
- Invest in "free fare" programs to optimize existing transportation services.
- Provide funding for state and municipal governments and transit authorities to invest in expanded public transit and implement measures to protect riders and drivers from transmission of COVID-19.
- Increase funding for the Low or No Emission Vehicle Program and the Diesel Emissions Reduction Act to support adoption of electric buses and associated charging infrastructure.
- Incentivize and expand electric vehicle charging infrastructure, prioritizing investments in underserved, lower income, and rural locations, including workplaces, multi-unit dwellings, and public charging.

Rural economic development forest sector projects that benefit conservation

By investing in rural economic development in the forest sector, we can protect existing jobs, create new job opportunities, and enhance community and population health related to recreation. Further, these investments will help protect our rural economy, which keeps forests as forests.

- Invest in programs that support recreational trail development - including tourism and marketing, small business grants and financing, and infrastructure and stewardship funding.
- Invest in wood stove replacement programs to encourage modern wood heating.
- Enact the Great American Outdoors Act (GAOA) (S.3422) which permanently and fully funds the Land and Water Conservation Fund (LWCF) and increases funding in the Public Land Legacy Restoration Fund. These provisions will provide grants to states like Vermont to invest in working forests, state parks and habitat conservation, and invest in long overdue

maintenance to the National Park Service, U.S. Forest Service, U.S. Fish and Wildlife Service, Bureau of Land Management and Bureau of Indian Education.

- Increase investment in the USDA Community Forest Program. The program provides grants for the creation of community forests that sustain local outdoor and forest economies and provide recreational and educational access for residents and visitors. These locally-owned community forests are a direct connection to nature at a time when Americans need it the most.
- Pass the Restore America's Wildlife Act (H.R. 3742) to provide critical funds to the Vermont Department of Fish and Wildlife to protect vulnerable wildlife. This new funding would allow Vermont to significantly expand its conservation efforts to benefit wildlife, and provide a significant economic benefit to our outdoor recreation economy.

Clean Water and Watershed Protection and Restoration Investments

Investing in the cleanup and restoration of Vermont's iconic lakes and rivers puts Vermonters to work creating a future where people, fish, and wildlife can thrive. We need to invest in clean water programs and projects to meet Vermont's clean water obligations and to work towards clean water and healthy watersheds throughout the state. This includes supporting vital grant programs to organizations developing and implementing clean water projects, and supporting state agencies in their regulatory and non-regulatory efforts to protect and restore Vermont's waters.

Additionally, investing in habitat restoration projects - such as invasive species removal, native plantings, reforestation on floodplains, dam removals, streambank restoration, wetlands, and associated uplands - will provide economic benefits to support farmers, local construction, community-based watershed organizations and work crews, as well as increased land in forest management, flood hazard reduction, and enhanced outdoor recreation (for activities such as hunting, paddling, and wildlife viewing). Environmental benefits of these projects include transitioning marginal farmland to forests or wetlands, providing habitat connectivity, clean water, carbon storage and wildlife habitat. Further, we need to expand investments in water infrastructure to upgrade drinking water and wastewater treatment facilities and keep them in good repair.

- Invest in programs and projects to protect and restore Vermont's waters, and bolster Vermont's Clean Water Fund, which is suffering from significant losses in tax revenue due to COVID-19. These investments will ensure that clean water and habitat restoration projects continue throughout the state during the downturn and into the recovery period, creating employment opportunities for Vermonters and helping the state meet its TMDL and Vermont Clean Water Act obligations.
- Continue to invest in the Lake Champlain Basin Program (LCBP) and the Long Island Sound Study. Federal EPA dollars have been, and will continue to be, critical to the protection and restoration of the Lake Champlain and Connecticut River Watershed Basins. LCBP's grant programs invest dollars in community-based organizations to develop and implement clean water projects and to conduct valuable outreach and education throughout the watershed.
- Now is the time to launch a Green New Deal for America. Congress should inject at least \$250 million into the Corporation for National and Community Service. By rapidly scaling up investment in Americorps programs like the Vermont Youth Conservation Corps, we can put

unemployed Vermonters to work restoring clean water and habitat for native species, improving infrastructure in low income communities, and installing energy efficiency upgrades across Vermont.

- Increase investments in the National Fish and Wildlife Foundation – including the New England Forests and Rivers Fund and Long Island Sound Futures Fund – and encourage additional investments in the upper Connecticut River Watershed through this effort.
- Increase investment in US Fish and Wildlife Partners for Fish and Wildlife program providing critical matching dollars for riparian buffer planting and habitat restoration programs
- Expand funding for the Vermont Transportation Municipal Mitigation Program / Better Roads. This program provides grants to municipalities which can be used to assist with retrofitting municipal roads that are adjacent to rivers and streams to reduce stormwater impacts from pollution discharge. This is an important component in efforts to reduce pollution entering Lake Champlain.
- Increase investment in the Clean Water Act (CWA) Water Quality Monitoring program to provide for statewide water quality monitoring and assessment. These funds are used to support statewide water quality monitoring to ensure rivers, streams, lakes and ponds are safe for public use and water quality infrastructure are properly functioning.
- Increase funding for the Clean Water Act Section 319 Nonpoint Source Management Program, which assists states in watershed preservation and restoration and has successfully helped improve water quality in Vermont and across the country.
- Fund programs that finance or provide grants to support brownfields redevelopment projects, such as EPA’s Brownfields Program, which enhance downtowns and communities, protect surface and drinking water supplies and other sensitive receptors. These grants can be tied to other economic development opportunities like generating solar power or recreation opportunities, and you can prioritize investments tied to larger initiatives, like river corridor protection and enhancement.
- Increase funding for FEMA’s Building Resilient Infrastructure and Communities (BRIC) program, which will fund non-structural flood mitigation projects and resilient infrastructure.
- Increase funding for U.S. Army Corps of Engineers’ Construction for Ecosystem Restoration program. There are significant infrastructure needs under the Corps’ ecosystem restoration mission.
- Increase funding for USDA Natural Resources Conservation Service, Watershed Protection and Flood Prevention: Projects funded through this program can provide cost-effective benefits to public safety, flood protection, economic, and environmental benefits.
- Increase funding for EPA’s Wetlands Program Development Grants, targeted specifically for wetlands restoration and rebuilding to protect communities against flooding and other natural disasters and filter drinking water while also creating jobs.

Clean Drinking Water and Toxic Chemical Reductions

Strategic and timely investments can help ensure safe drinking water for all Vermonters, free of toxic contamination.

- Increase investment in the Reducing Lead in Drinking Water program to provide grants and technical assistance for completely replacing lead service lines in households, daycare centers, and schools, thus protecting our children and communities from the damaging impacts of toxic lead pollution.
- Increase investment in the School Drinking Fountain Replacement program to help schools and daycare centers replace lead-bearing water fountains and faucets with water hydration stations with certified filters.
- Increase investments in the Clean Water and Drinking Water State Revolving Funds, split evenly between the two SRFs, with at least 20 percent of funding distributed to disadvantaged communities as additional subsidization (grants) rather than loans and at least 20 percent of CWSRF funding set-aside for investing in green infrastructure projects.
- Increase long-term investment in EPA Environmental Justice Small Grants (EJSG) Program with increased grant size of \$500,000, which funds communities to address environmental risks from concentrated pollution, to prepare for climate change effects, and improve public health.
- Fund ongoing cyanobacteria monitoring and water testing at public drinking water facilities.
- Include a moratorium on disconnecting water and energy utilities, and at least \$3 billion for low-income users to maintain service and public water utilities for mandatory reconnections and to continue operating.
- Address those most at risk from toxic PFAS and other sources of contamination:
 - Increase the Defense Environmental Restoration Account and the BRAC Closure account to remediate PFAS contamination at Department of Defense installations where COVID-19 patients are being quarantined.
 - Increase funding for the Defense Environmental Restoration Account to install point-of-entry systems at households located near DOD installations.
 - Clarify that PFAS dischargers are subject to limits under the Clean Water Act and set a two-year deadline for a drinking water standard for the PFAS class that is protective of vulnerable populations.
 - Increase investments in Superfund Site Cleanup to protect communities from toxic pollution.
 - Increase investments in the Small & Disadvantaged Communities program, which assists public water systems in underserved, small and disadvantaged communities in meeting Safe Drinking Water Act requirements.
 - Increase investments in Sewer Overflow Control Grants.
 - Increase funding, including for grants, through USDA's Water & Waste Disposal Loan & Grant Program. This program funds construction and improvements for drinking water, wastewater, and stormwater systems for rural households and businesses and Tribes, and will both provide the clean water these communities need while also spurring economic activity and creating jobs.

Farm viability funding that is used for reforestation and maple syrup production

- Establish a new program within the USDA's Farm Service Agency and Farm Credit System offering grants, specifically targeting small and mid-sized producers that supply local food

systems, including farmers markets, restaurants, and schools. Payments to farmers of color, socially disadvantaged farmers, beginning farmers, and veteran farmers should be significantly more than those offered to other eligible farmers.

- Increase investments in the USDA's Environmental Quality Incentives Program, including for Conservation Innovation Grants.
- Increase funding for USDA's Conservation Stewardship Program.
- Enroll 40 million acres of marginal land through the USDA's Conservation Reserve Program by 2030, with a greater focus on acres devoted to water quality practices like streamside buffers.
- Invest \$4.1 billion to restoring forests on 8.3 million acres of public lands managed by the U.S. Department of Agriculture and the Interior.
- Increase funding for USDA's Regional Conservation Partnership Program to \$1 billion a year.

Ultimately, any government economic stimulus package or supplemental funding should work to proactively address - not exacerbate - other ongoing crises, including climate change and environmental injustice. Through strategic investments, such as in the programs highlighted in this letter, we can support an economic and public health recovery that puts people to work and rebuilds our local economies and communities in ways that makes them more resilient to current and future threats.

We greatly appreciate your ongoing leadership over the years. We need you more than ever as we find our way into a new future. We look forward to working with you on these important initiatives. Thank you for your consideration, and for your critical work in these unprecedented times.

Sincerely,

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Connecticut River Conservancy

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