



Vermont Climate Economy Action Team

2019 Action Priorities

Vermonters are creating answers to climate change that will be the foundation for the economic renewal of the state. The Climate Economy is the economy of the future, informed by Vermont's history of independence, resiliency, and innovation.

Buildings: Efficiency, Weatherization and Heating

Every Vermonter has a comfortable, healthy, and affordable place to live

Dramatically Expand Weatherization

Current resources to meet Vermont's weatherization goals are inadequate. For residents, this means colder homes, burdensome heating costs, discomfort, and adverse health impacts. Dramatically increasing weatherization efforts will move Vermont towards statewide efficiency goals, create jobs and workforce development opportunities, reduce carbon emissions, and lower heating costs for low income Vermonters for years to come.

In 2007, Vermont set a goal of weatherizing 20,000 low income homes by 2020. As of March 2016, there was still a gap of 9,200 homes. Currently, Vermont spends about \$9.5 million annually to weatherize about 1,000 homes through the Weatherization Assistance Program. Scaling up weatherization services through the Vermont Agency of Human Services Low Income Weatherization Program can connect Community Action Agencies, EVT, HEAT Squad and other non-profit and private sector partners with additional funding and accountability measures to expand eligibility, access, and affordability of weatherization and home retrofits and support workforce recruitment and training to meet the increased demand.

Vermont should invest in a surge in weatherization and deep energy retrofits between now and 2020. This surge could be achieved in two possible ways:

A. Expand Low-Income Weatherization Through a Weatherization Bond

Use Weatherization Assistance Program Funds to leverage a large capital investment for a surge in weatherization and deep energy retrofits over the next four years. A bond of \$39M over the next four years would weatherize an additional 3,600 homes.

B. Double low-income Weatherization through the State Weatherization Assistance Program.

The number of homes weatherized each year in Vermont could be doubled from the 2017 number of 900 homes to 1,800 annually with an annual increase for the VT Weatherization Assistance program of \$9.5M. This increase could be funded with general fund dollars, the capital budget, or another designated revenue source.

Support the Clean Energy Development Fund to Accelerate Advanced Wood Heating

Advanced Wood Heating (AWH), including cord wood, wood pellets, or chips, offers an affordable, local, and renewable source of fuel with lower carbon emissions than fossil fuels. Funds were built into the 2019 State of Vermont budget, to be administered by the Clean Energy Development Fund, to incentivize the purchase of residential AWH systems. Paired with other incentives, such as the

Efficiency Vermont rebate program and the new Sales Tax Exemption, Advanced Wood Heat Systems are becoming a more viable and affordable option for Vermonters. The Clean Energy Development Fund should be sustained over time with annual funding to invest in the expansion of wood heat systems in homes, public schools, municipalities, institutions, and other buildings in Vermont. Advanced Wood Heating systems provide an opportunity to improve efficiency, save Vermonters money, ensure warm and comfortable homes and buildings, and support Vermont's local forest products industry.

Energy Labeling for State Buildings

To help businesses, homeowners and policy leaders make decisions on building efficiency and investments, commercial, residential, and public buildings in Vermont should have an energy efficiency evaluation and disclosure with an electric and thermal energy score. As a starting point for energy and efficiency labeling of buildings and homes in the state, the Vermont Department of Buildings and General Services (BG S) should develop and deploy a building energy score for all state buildings. The scores should be displayed both online and as a disclosure and educational tool posted in each public building. The label would guide state efficiency improvements and serve as a model in support of future efficiency and retrofit measures in Vermont's towns, schools, and other institutions.

Transportation

It is easy and affordable to travel, transport, and commute in Vermont and the state leads in the adoption of electric vehicles

Facilitate a Shift to Electric Vehicles By Waiving the Sales Tax on the Purchase of EVs

Because electric vehicles (EVs) are inherently more efficient than internal combustion vehicles (three times so), they can save energy, reduce costs, and dramatically lower CO2 emissions. To facilitate electric vehicle affordability and accessibility for all Vermonters, Vermont should build a tax incentive to send a market signal to Vermonters, making it more affordable and attractive to purchase an electric vehicle. Vermont should waive the sales tax for all new and used EVs and plug in hybrids sold in Vermont. Vermont should use the \$3,500,000 in consumer protection settlement dollars from Volkswagen to fund this and the following elements in this platform for advancing EVs and the transportation system.

Build a Program to Help Low-to-Moderate Income Vermonters Enter the EV Market

Vermont should build an "EV Cash for Clunkers" program to provide a cash credit or financing towards a used or new electric or plug-in hybrid vehicle in exchange for trading in an older, less efficient, low MPG vehicle.

Advance Auto Dealership Training and Incentives for EV Sales

In order to transition towards an electrified transportation system, it is essential that auto dealers and their sales have the knowledge and incentives needed to sell and service new and used electric vehicles. Programs should be developed to train and support sales and service staff, implement a dealer incentive program, and conduct a statewide contest to encourage and celebrate EV sales.

Boost Electric-Assist Bike Awareness and Sales

Battery powered electric-assist "e-bikes" allow more Vermonters to use bicycles as viable transportation options as they expand the range, carrying capacity, hill climbing ease, and comfort of

biking. E-Bikes are available in styles suitable for everyone from families to commuters, seniors, and businesses. Electric cargo bikes can carry more people and stuff, and can even be used for local deliveries. E-Bikes are now widely available and can be purchased in bike shops in many locations across the state. A campaign should be deployed to build awareness around the availability and functionality of e-bikes. Targeted incentives should also be applied to make e-bikes accessible to low income Vermonters.

Smart Regulatory or Market-Based Emissions Reductions

Vermont's regulatory and finance structure reduces our carbon emissions while stimulating economic opportunity, job creation, and innovation

In early July 2018, the Vermont Agency of Natural Resources released its latest greenhouse gas inventory report showing that, despite Vermont's strong emissions and clean energy goals, we have seen an increase in GHGs of 10% in two years (2014 and 2015) – and are now 16% above 1990 GHG levels. If Vermont is going to meet our ambitious goals and curb our state's contributions to climate change, we need to dramatically reduce our fossil fuel emissions – especially in the transportation and residential, commercial, and industrial fuel use sectors.

Vermont should implement a regulatory and incentive structure that will best reduce emissions in the state, and will ensure that policies boost economic development and spur innovation, creativity, and leadership. These goals could be accomplished either through a regulatory structure, such as a low carbon fuel standard, or through market-based options including a carbon pricing mechanism, or a cap and invest approach such as the expansion of the Regional Greenhouse Gas Initiative to include transportation and heating fuels, or by Vermont's participation in the Western Climate Initiative Cap and Invest program. CEAT will review the legislatively mandated Decarbonization Study to be released by the Joint Fiscal Office in January 2019 and work to advance a regulatory/market based structure that will reduce carbon emissions and enhance the Vermont economy.

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Vermont Council on Rural Development

Unleashing the power of Vermonters to create a better future