



Vermont Businesses
for Social Responsibility



Tuesday, November 2 2021

To the Vermont Climate Council,

Thank you for the countless hours you all are putting into this important work. Crafting a Climate Action Plan that will create a cleaner, healthier, and more equitable state is a massive task, and we appreciate the seriousness, dedication, and expertise each one of you is bringing to this critical effort.

A few weeks ago, our organizations joined fifteen environmental, housing, public health, social justice, and faith organizations in calling for the Council to follow a set of core principles in crafting the Climate Action Plan to ensure it meets the scale of the crisis before us.

As world leaders gather in Glasgow for the UN Climate Change Conference, commonly referred to as COP26, the urgency for global climate action continues to grow. Vermont must do its part.

Today, we are writing because we strongly believe the initial Climate Action Plan must include the following priorities to drive down climate pollution and meet our Global Warming Solutions Act targets; improve our communities' resilience; and ensure equity is front and center in how we prioritize and shape policies and investment strategies.

While there are many additional small and large steps Vermont must take to tackle the climate crisis which are not listed here but should be included in the Plan, **the following five fundamental policy priorities *must* be included in the 2021 Climate Action Plan.**

Transforming transportation:

While we know the plan must and will include a range of transportation solutions -- such as electric vehicle (EV) and EV charging infrastructure incentives aimed at making electrified transportation accessible for all, funding and policies to make biking and walking safer and easier across the state, and zero-fare public transit -- to achieve our targets Vermont must join and implement the Transportation & Climate Initiative program (TCI-P). TCI-P is a multi-state program that aims to reduce greenhouse gas emissions and would invest approximately \$20 million per year in Vermont in cleaner transportation solutions. Simultaneously, while

adopting the TCI-P Vermont must ensure enhanced equity through complementary state implementation policies, particularly in how investment decisions are made.

As you well know, transportation accounts for 40% of Vermont's greenhouse gas emissions. This is thanks primarily to our state's above average vehicle miles traveled and the fact that the vast majority of our transportation (94%) is powered by fossil fuels. If we are going to challenge this paradigm and meet Vermont's emissions reduction requirements, then it is imperative that the Climate Council direct the state to sign onto the Transportation & Climate Initiative Program (TCI-P)—a regional cap-and-invest program designed to reduce pollution from gasoline and diesel fuels while generating a new source of funding for clean and equitable transportation solutions.

Vermont's history with similar carbon control programs paints a promising picture. The Regional Greenhouse Gas Initiative (RGGI), a cap-and-trade program focused on reducing emissions from existing and new power plants, helped reduce emissions from our electric sector decline by 47%, and also generated \$3.2 billion in allowance auction proceeds, \$5.7 billion in health and productivity benefits, and coincided with a 47% increase in GDP among participating states. Of that \$3.2 billion, Vermont received \$19.9 million in RGGI proceeds between 2008 and 2016, which drove key investments in weatherization that kept pollution out of our atmosphere and lowered energy burdens for Vermonters across the state. With your support, we can replicate these successes in our transportation sector.

TCI-P's cap is designed to reduce regional greenhouse gas emissions from on-road transportation by 30% below 2023 levels by 2032. While that's well below our state's emissions reductions requirements, Vermont is expected to receive approximately \$20 million a year in TCI revenue that we can invest in complementary transportation solutions for all Vermonters. To safeguard these investments and ensure the equitable distribution to TCI-P revenues, our groups urge the Council to also recommend the following measures:

- Establishing a TCI Trust Fund to fuel investments in clean transportation, improved public transit, walking and biking infrastructure, and other projects to support transportation justice, EV deployment, and clean air;
- Requiring a larger percentage of TCI proceeds be invested in historically marginalized or disproportionately impacted communities (the current floor is set at 35%; we propose investing at least 70% of revenues in these communities);
- Creating a TCI Equity Advisory Body, a group representing overburdened and underserved populations from across the state, and being clear about how such a body will shape the program's implementation and inform investment decisions.

Heating and cooling our buildings:

With thermal energy responsible for nearly a third of Vermont's carbon pollution, and residential heating accounting for more than half of that, implementing weatherization at scale and a wholesale shift from fossil-fueled heat to clean options must be a cornerstone of the Climate Action Plan.

Vermont must quickly get on a path to weatherizing an additional 120,000 homes by 2030, and surpass that number of cold-climate heat pump installs, prioritizing programs that benefit low to moderate-income and underserved communities. Potential federal funding in the near term provides an opportunity to jumpstart this work – but these programs need long-term, sustainable funding sources to succeed, as was clearly demonstrated by Vermont's failure to hit or come close to hitting our goal of 80,000 homes weatherized by 2020.

To underpin this work, the state must also work to expand, and where necessary create, fuel switching programs, such as robust incentives for clean heat technologies, and consider a thoughtfully-crafted Clean Heat Standard with a strict, binding lifecycle greenhouse gas limit for eligible measures, or other regulatory tools.

Environmental Justice:

Adopt an Environmental Justice policy that requires State agencies to incorporate environmental justice into their work, establishes an Advisory Council on Environmental Justice within the Agency of Natural Resources, and requires the creation of an environmental justice mapping tool.

Unlike many states, Vermont does not yet have its own Environmental Justice policy - a glaring omission in state policy which must be remedied. Vermont must take a comprehensive approach to supporting efforts within communities across the state to alleviate environmental burdens and share environmental benefits in a just and transparent way.

Issues of water quality, indoor air quality, energy affordability, transportation access, food insecurity, disaster resilience and associated health risks disproportionately affect low-income and BIPOC populations in the state. Adopting a statewide Environmental Justice policy that departments and agencies across state government must implement within their work would be an important step in the right direction, and provide additional mechanisms for addressing those injustices.

Expanding a renewable, resilient, local energy system:

To fully realize the benefits of a transformed energy economy, Vermont must implement a true 100% renewable electricity standard that dramatically increases requirements for new and local renewable energy generation, and invests in energy storage and grid resilience. For too long we have depended on electricity generation that results in enormous impacts outside of Vermont's borders, from flooded indigenous lands to unjust air pollution around power plants throughout New England. If we electrify our heating and transportation sectors but do not eliminate fossil-fueled electricity, or remain reliant on large, out of state renewables with high lifecycle greenhouse gas impacts, we will have failed.

By increasing the pace at which resilient, well-sited, new renewable generation is deployed, we can build strong communities, keep more of the almost 80 percent of every dollar we spend on fossil fuels for heating and transportation in Vermont, and put people to work powering our lives with clean energy.

We also have an obligation to make sure that our renewable energy policies make it possible for all Vermonters to be part of and benefit from the transition to renewable energy. Repeated attempts to make renewable energy meaningfully and broadly accessible to low-income Vermonters, renters, and the many BIPOC Vermonters currently functionally shut out of the system have been ignored by the PUC.

The Vermont Climate Council must call for new options for Vermonters to be part of the renewable electricity transition. The creation of one or more new renewables programs as part of a 100% renewable electricity standard can and should also make it easier to site and build renewables larger than the 500 kW and 2.2 MW size caps the net metering and (now phasing out) standard offer programs allow. In doing so, we can expand community access to renewable electricity options while also enabling economies of scale and lower energy costs for everyone.

Implement policies to encourage development in downtowns & villages while improving conservation of forest and farmland:

We must implement policies to encourage development in compact community centers combined with policies to protect Vermont's forests and agricultural soils to reduce climate pollution and enhance community resilience.

To achieve these goals, we must incentivize development in areas designated for growth and infill development, including by investing in improvements to municipal infrastructure to facilitate development in and adjacent to Vermont's downtowns, city and village centers. Simultaneously, we must improve designation programs to ensure that impacts of growth in designated areas are addressed. For example, additional development should not occur in

mapped river corridors. An important priority should be investments in affordable and appropriately sited housing to ensure all community members have access to jobs, transportation, and other services.

As we encourage growth in compact community centers, we must simultaneously expand and enhance protections for Vermont's forests and agricultural soils. We must establish clear and measurable conservation targets and land use policies to ensure we maintain our forests and soils, which will be essential to hitting our long-term climate targets. Wherever possible, we should look to invest in nature-based climate solutions that bring co-benefits - including flood hazard mitigation and connected rivers. Policy strategies are also needed to achieve these targets, including improving Act 250's criteria and jurisdiction to address forest fragmentation, bolstering municipal zoning and subdivision bylaws to address forest fragmentation, and supporting strong property tax incentives for keeping forests as forests. We should also invest in programs that will transition farming systems to more regenerative and organic practices to improve soil health and related benefits. These policies will also help us prepare thoughtfully for population increases associated with climate migration.

To achieve smart growth outcomes, we must improve coordination among municipal, regional, and state planning staff to increase effectiveness and provide greater capacity for implementation. One approach could be to create a state planning office or similar coordinating entity. And importantly, this work must be done using accessible and equitable research, partnerships and education including Traditional Environmental Knowledge, workforce development, and technical assistance to landowners.

We know various subcommittees are considering each of these policies, and we urge their inclusion in the Climate Action Plan being released on December 1st.

Thank you again for your hard work.

Sincerely,

Renewable Energy Vermont

Vermont Businesses for Social Responsibility

Vermont Conservation Voters

Vermont Natural Resources Council

Vermont Public Interest Research Group