

To: Environmental Justice Advisory Council and Agency of Natural Resources (ANR)
Environmental Justice Unit
From: ANR Climate Action Office
Date: October 7, 2024
Re: Role of the Environmental Justice Advisory Council in the development of a Climate Superfund

During the 2024 legislative session, Vermont passed [Act 122](#), also known as the Climate Superfund Act or Make Big Oil Pay. The purpose of the Program is to hold parties responsible for covered greenhouse gas emissions between the covered period of January 1, 1995 and December 31, 2024 for the entity's share of the State's costs due to climate change. Responsible parties are defined as fossil fuel extractors or crude oil refiners that the Agency of Natural Resources (ANR) attributes one billion metric tons or more of covered greenhouse gases during the covered period. Responsible parties are strictly liable for cost recovery payments to the State. An entity's cost recovery payments shall be the same ratio or share of the costs to the State from the emissions of covered greenhouse gas emissions as the entity's ratio or share of the aggregate covered greenhouse gas emissions from fossil fuels during the covered period.

The act requires the State Treasurer, in collaboration with ANR, to conduct an assessment of the costs to the State and its residents of the emissions of covered greenhouse gases during the covered period. The act establishes an ANR-administered Climate Superfund Cost Recovery Program Fund into which the cost recovery payments from responsible entities are deposited. The Fund shall be used to pay for climate change adaptation projects identified by ANR under a Resilience Implementation Strategy adopted by rule, reasonable administrative expenses of the Program, costs to implement climate adaptation action under the State Hazard Mitigation Plan, and implementation of the Community Resilience and Disaster Mitigation Grant Program.

Section 599a. of the law discusses in detail the reports and rulemaking required of ANR. With respect to the Environmental Justice Advisory Council (the "Council"), the law requires that ANR consult with the Council in developing the Resilience Implementation Strategy (RIS). The RIS, which as described above will be used to direct the funding received through this legislation, is currently being developed by ANR with an articulated completion of July 1, 2025. Additional information on the RIS can be found in the attached overview. Since no further guidance is given in the law on what is meant by consultation, the next step is for the Environmental Justice Unit and the Climate Action Office to support the Council in determining how they would like to engage. Understanding capacity is already constrained in the Council, our aim is to support engagement with the Council at times that maximize their impact. The next step is to provide an overview at an upcoming Council meeting and answer questions in an effort to finalize touchpoints.

