**Implementing Vermont’s Climate Action Plan (Part 2)**

**Legislative Action and Rule Making**

The implementation of the Climate Action Plan (CAP) will require the legislature to advance significant legislation and funding to support the goals of the state’s four-year plan for climate action. The Global Warming Solutions Act (GWSA) also requires that the Secretary of the Agency of Natural Resources adopt rules consistent with the Vermont Climate Action Plan, as adopted, on or before December 1, 2022 and achieve the 2025 emission reductions requirements in the GWSA. The following is a collective suite of actions which will require legislative action or rulemaking to achieve the GWSA targets for curbing greenhouse gas emissions. These are all considered a high priority for immediate action.

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| **Sector** | **Action** | **Need Legislative Action** | **Ready for Rule/ Order[[1]](#footnote-1)** | **Notes** |
| Transportation | CARB Advanced Clean Cars II (ANR, pursuant to 10 V.S.A. 567 and 558) |  | Yes |  |
| Transportation | CARB Advanced Clean Trucks, Low NOx Omnibus, and Phase II GHG for Truck Trailers Rule  (ANR, pursuant to 10 V.S.A. 567 and 558) |  | Yes |  |
| Transportation | TCI-P Model Rule (ANR, pursuant to 10 V.S.A. 558) |  | Yes |  |
| Transportation | Authorize and direct VTrans to evaluate and expand the EV Purchase Incentive program,  Mileage Smart program and Replace Your Ride program (Transportation Bill) |  |  |  |
| Transportation | Authorize and direct VTrans/DMV/Dept of Taxes to implement vehicle efficiency price adjustment (DMV Misc. Bill or other) |  |  |  |
| Transportation | Authorize and direct Interagency EVSE Working Group to implement EVSE Deployment Plan (Transportation Bill or other) |  |  |  |
| Transportation | Direct the PUC to initiate a proceeding to develop EV charging rates with a goal of  incentivizing EV adoption |  |  |  |
| Transportation | Authorize and direct an interagency committee including, but not limited to, ANR, VTrans and PSD to receive and allocate TCI-P revenue informed by the Equity Advisory Board |  |  |  |
| Transportation | Authorize and direct ANR to implement an electric and high efficiency transportation unit in existing education and awareness programs |  |  |  |
| Transportation | Authorize and direct ANR to implement a MHD vehicle purchase incentive program and an electric auxiliary system incentive program |  |  |  |
| Transportation | Authorize and direct VTrans to develop and adopt a State Sustainable Transportation Plan  (Transportation Bill) |  |  |  |
| Transportation | Appropriate eligible ARPA dollars, Infrastructure Investment & Jobs Act (IIJA) federal infrastructure dollars, potential Build Back Better Act federal funds, other eligible federal funds, and corresponding state match funds to implement allowed investments in  transportation infrastructure and other projects that align with the actions within the Transportation Sector Pathways of the CAP |  |  |  |
| Buildings/ Thermal | Adopt legislative or administrative recommendations consistent with those set out by the Weatherization at Scale Working Group (WWG) with the goal of weatherizing 90,000 additional homes by 2030 | Yes |  |  |
| Buildings/ Thermal | Authorize implementation of a plan for coordinating and enhancing energy and financial coaching services for Vermonters with low and moderate incomes | Yes |  | This will be an element of Weatherization Working Group recommendations. |
| Buildings/ Thermal | Through legislation, authorize electric and gas utilities to offer their customers on-bill financing tariffs | Yes |  |  |
| Buildings/ Thermal | Authorize the adoption of efficiency standards for rental properties, beginning with expanding the definition of “fit for human habitation” in 9 V.S.A. § 4457(a) by developing and passing legislation requiring owners of [a TBD minimum number of units] of rental housing to ensure that the efficiency of their rental units meets minimum standards [TBD efficiency code level] by December 31, 2030 | Yes |  |  |
| Buildings/ Thermal | Regularly update the statewide residential building energy code, resulting in achieving a Zero Energy Ready building energy code by 2030. | Yes |  | PSD regularly updates RBEC; legislation indicated to require ZER |
| Buildings/ Thermal | Develop and fund a state-level Energy Code Circuit Rider initiative | Yes |  |  |
| Buildings/ Thermal | Adopt legislation authorizing the Public Utilities Commission to administer a Clean Heat Standard | Yes |  |  |
| Buildings/ Thermal | With neighboring states, require electric water heaters for sale to have a modular demand response communications port | Yes |  |  |
| Non-energy | Limit greenhouse gas process emissions from the manufacturing of semiconductors (10 V.S.A. §558) |  | Yes | Note that this rulemaking may not be required if these reductions are achieved through a Public Utilities Commission order or a Certificate of Public Good requiring GHG emissions reductions from Global Foundries that align with proportional emissions reductions necessary to achieve the requirements in the GWSA. |
| Non-energy | Appropriate funds to ANR (or another entity) to implement an incentive program to fund cost sharing for the installation of permanent leak detection systems for facilities using over a certain threshold of high GWP refrigerants. | Yes |  |  |
| Non-energy | Appropriate funds to ANR (or another entity) to incentivize businesses to transition from high GWP refrigerants to lower GWP alternatives. | Yes |  |  |

**Technical Analyses Next Steps**

An immediate next step for the Council after December 1 will be to prioritize further technical analyses needed to advance climate action and future iterations of the Climate Action Plan (CAP). Significant advancements have been made to inform the recommendations in this plan but many of the recommendations need more data to inform program design. Future analyses should also be mindful of the work of other Agencies, such as the Agency of Agriculture and Food Markets, as well as additional requirements in the Global Warming Solutions Act for analyses. With the Plan adopted, the Joint Fiscal Office of the Vermont General Assembly (JFO) is required “to hire a consultant to prepare an analysis of the economic, budgetary and fiscal costs and benefits of the Plan.” As further economic modeling is highlighted in the CAP, the need to coordinate with JFO will be important to ensure any work advanced through the GWSA will be complimentary and additive to JFO’s analysis. Also required in the GWSA is the development of a municipal vulnerability indices. This was not completed for this initial CAP and will be a priority as the Council advances future work. The main suite of actions highlighting the continued need for technical analyses are summarized in the table below.

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| **Technical Analysis Required** | **Section Detailed in CAP** |
| Advance supplemental accounting and further research and data gathering is also called for supplemental upstream and/or lifecycle accounting of emissions related to the use of energy in Vermont. | (9) Greenhouse Gas Inventory |
| Developing and issuing a Request for Proposals (RFP) that will review and analyze methodological gaps of emission inventory tools currently used by the State of Vermont to quantify greenhouse gas emissions for evaluating changes in the Agriculture, Forestry and Other Land Use (AFOLU) sector and the tools’ alignment with the Intergovernmental Panel on Climate Change (IPCC), Environmental Protection Agency (EPA), and peer state methodologies and approaches. | (9) Carbon Budget |
| Establishing a periodic and consistent carbon inventory and forecast for Vermont. To develop and update the Vermont Carbon Inventory on an annual basis, the Vermont Climate Council, in coordination with the Secretaries of Administration, of Natural Resources, of Transportation, of Agriculture, Food and Markets, and of Commerce and Community Development, and the Commissioner of Public, should aggregate all existing statewide data on greenhouse gas emissions currently reported to State or federal entities, existing statewide data on greenhouse gas sinks, and otherwise publicly available data. | (9) Carbon Budget |
| Develop a “municipal vulnerability index” to identify those communities that may be most adversely affected by climate change. | (12) Pathways for Adaptation and Building Resilience in Communities and the Built Environment |
| Hire a consultant to review and assess the state designation programs that recognize and support Vermont’s compact settlement areas. | (15) Cross-Cutting Pathways |
| Hire a consultant to engage stakeholders and support the development of a state Land Use Plan that guides development to growth areas, town centers and appropriate rural locations and limits development within ecologically sensitive / risk-prone areas. | (15) Cross-Cutting Pathways |
| Fund a study that quantifies the vehicle miles traveled and GHGs for both compact and dispersed areas of development as well as the co-benefits of complect centers. | (15) Cross-Cutting Pathways |
| With the creation of its first CAP, the Council is endeavoring to articulate both *what* Vermont must do to reduce emissions and increase resiliency and equity, as well as *how* to do it. The former task identifies the transformations needed to achieve emissions reductions and is the focus of the LEAP analysis and economic modeling done for this CAP. The latter is concerned with the mechanisms available to achieve desired policies, which requires analysis beyond economic impact modeling. This analysis includes assessment of costs, co-benefits, market readiness, etc. Now that the Council has finalized actions for prioritized pathways, the Council should further consider options for follow-on research and analysis which will be necessary to address specific policy-related questions. | (16) Implementing Vermont’s Climate Action Plan |

**Climate Council Next Steps**

The Climate Action Plan is the result of more than a year of work that included input from five subcommittees. Vermont's Climate Action Plan is a vital opportunity to build a stronger, healthier, more vibrant, and resilient future for Vermont, but it is only the first step. The work of the Climate Council is ongoing, and the Council has been clear that this is an initial plan. The timeline made it very challenging to address all the objectives identified in the Global Warming Solutions Act (GWSA) to the level of detail needed to advance them immediately. As such, there are several pathways for further work beyond December 1.

While the legislature and the Agency of Natural Resources will work to advance numerous actions put forward in this plan through legislative action and rulemaking, the Council will work to further advance areas work in several key areas, including but not limited to:

* Funding and financing options, with a specific emphasis on prioritizing the expenditure of the American Rescue Plan Act dollars to advance the implementation of this plan.
* Overseeing the rollout of the Climate Action Plan and a comprehensive public engagement strategy.
* Furthering the implementation of the Guiding Principles and the Scoring Rubric in the program design of priority actions.
* Organizing the subcommittees work to focus on next steps to further the resilience, adaptation and sequestration actions prioritized in this plan.
* Prioritizing future technical analyses to inform future iterations of this plan.
* Advancing the measuring and assessing action tool contemplated in this plan.

To make progress on all these fronts, the Council will need to determine what the necessary organizational structure will be in the coming year. That said the work is imperative and enduring. As such, we envision a robust engagement from the Council for the foreseeable future to continue to work on behalf of Vermonters to realize the transformative change needed to meet both the challenges and opportunities of climate change.

1. The Public Utilities Commission should be allowed to determine whether or not to implement policies via rule or order. [↑](#footnote-ref-1)