

1 **Implementing Vermont's Climate Action Plan (Part 2)**

2 **Legislative Action and Rule Making**

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

Sector	Action	Need Legislative Action	Ready for Rule/ Order¹	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			

¹ The Public Utilities Commission should be allowed to determine whether or not to implement policies via rule or order.

	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	Yes		

	the goal of weatherizing 90,000 additional homes by 2030			
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		Yes	Note that this rulemaking may not be required if these reductions are

	semiconductors (10 V.S.A. §558)			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		

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12 **Technical Analyses Next Steps**

13 An immediate next step for the Council after December 1 will be to prioritize further technical
14 analyses needed to advance climate action and future iterations of the Climate Action Plan
15 (CAP). Significant advancements have been made to inform the recommendations in this plan
16 but many of the recommendations need more data to inform program design. Future analyses
17 should also be mindful of the work of other Agencies, such as the Agency of Agriculture and
18 Food Markets, as well as additional requirements in the Global Warming Solutions Act for
19 analyses. With the Plan adopted, the Joint Fiscal Office of the Vermont General Assembly (JFO)
20 is required “to hire a consultant to prepare an analysis of the economic, budgetary and fiscal
21 costs and benefits of the Plan.” As further economic modeling is highlighted in the CAP, the
22 need to coordinate with JFO will be important to ensure any work advanced through the GWSA

23 will be complimentary and additive to JFO’s analysis. Also required in the GWSA is the
 24 development of a municipal vulnerability indices. This was not completed for this initial CAP
 25 and will be a priority as the Council advances future work. The main suite of actions highlighting
 26 the continued need for technical analyses are summarized in the table below.

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 compact centers.	(15) Cross-Cutting Pathways
With the creation of its first CAP, the Council is endeavoring to articulate both <i>what</i> Vermont must do to reduce emissions and increase resiliency and equity, as well as <i>how</i> to do it. The former	(16) Implementing Vermont’s Climate Action Plan

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.	
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28 **Climate Council Next Steps**

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

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

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

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