

**Cross-Sector Mitigation (CSM) Subcommittee of the Vermont Climate
Council Minutes
February 16, 2023**

Physical Location: N/A

Meeting was recorded and posted online here: <https://youtu.be/vlhS3bgkUrI>

Subcommittee Members Present: TJ Poor, Bram Kleppner, Johanna Miller, Jared Duval, Liz Miller, Christine Donovan, Gina Campoli, Kelly Klein, Dave Farnsworth, Megan O'Toole

State Agency Staff Present: Marian Wolz ANR (Agency of Natural Resources), Collin Smythe ANR, Brian Woods ANR, Jane Lazorchak (ANR), Andrea Wright (VTrans), Ryan Patch (VT Agency of Agriculture), Geoff Wilcox OEO (Office of Economic Opportunity), Sarah Philips OEO

Others present: Maura Collins VHFA, Kelly Lucci Efficiency VT, Tim Perrin VT Gas Systems, Cara Roraback, EAN, Adam Sherman VEIC, Grace Amao. Spencer Dole

Minutes by: Gina Campoli and Megan O'Toole

The Meeting was opened by TJ Poor, co chair, at 12:05 and the agenda approved without comment.

The Minutes from 11/3/2022 Meeting were approved including two corrections proposed by Jared Duval - He noted that Andrea Wright's name was mistaken as "Andrew" and that he voted to approve the transportation report presented at the 1/3 meeting.

There were four Thermal Program updates *focusing on Weatherization* (See presentation slides found [here](#))

Sarah Philips, Office of Economic Opportunity: Sarah directs the Low Income Weatherization Program at OEO in the Department of Children and Families in the Agency of Human Services, She was joined by Geoff Wilcox, a technical OEO staff. She described the weatherization program for qualifying low income households.

Key takeaways:

- Last year (SY '22) \$13 mil was available for the OEO weatherization program. Metrics include: # of units weatherized and average investment and energy savings per household
- Two main challenges - 15% crew vacancy rate (meaning 15% of planned work was postponed due to lack of qualified labor) and the inflationary cost of materials.
- This year (SY '23) \$2.2 mil. is expected - a 39% increase made possible by ARPA programs. This upscaling will continue next year and then drop off in '25 and '26 when ARPA funds are depleted and programs end.

Comments/Questions/Discussion:

- The Department was commended for handling a whirlwind of change that has produced results. It was noted in the chat that Sarah used the term "average \$10k investment in homes" rather than the term "at an average cost of \$10k". These are absolutely investments and that messaging is super important.
- It was asked why is there a crew vacancy rate. Response - the program is not at the level of staffing needed to meet its targets.
- Clarification was asked regarding what is "allowed" under state and federal funding. Response - numbers represent weatherization and not heating repairs heat pumps, more efficient heating system replacement, training, technical assistance and administration.
- Participants must be below an income level to benefit. It's a no cost program. Multifamily home weatherization costs must be born by the landlord unless they meet the income requirements.

Tim Perrin, Vermont Gas Systems (VGS) Net Zero Efficiency Programs: Tim heads VGS's program in northwestern Vermont, focusing on weatherization and energy efficiency, growing low and zero carbon energy sources, and accelerating renewable energy sources such as heat pump water heaters. There are income based residential (financing and incentives) and commercial programs. The program focuses on volume based benefits - thus the emphasis on commercial. Commercial efforts (retrofits, more efficient equipment and new construction are often coordinated with Efficiency VT and BED programs (Burlington Electric Department). Lack of contractors is affecting their ability to achieve current and future program goals. They would like to "reimagine" the role of rate payer funded weatherization and other programs

Discussion:

The number of units represented in the presentation are in addition to those supported by the OEO program. VGS Budget for 2024 - subject to approval of the Utilities Commission will be to continue the focus on low and moderate households - from 20% to two thirds of the program. They hope to utilize federal Inflation Reduction program dollars and go beyond what's allowed in a customer program.

Kelly Lucci, Efficiency Vermont Kelly heads Efficiency Vermont's "Market Rate" Programs. They work outside of VGS territory and with those not eligible for OEO program - incentives, technical assistance, repairs needed for safe weatherization, and increased incentives for rental properties. Efficiency VT works with contractors who have met certain weatherization standards. There is so much demand that some contractors don't want to be listed on Efficiency VT's website due to their having overwhelming amounts of work and are booking out 6-9 months. It's an "acute" workforce constraint. The program has a moderate income focus with an average of 800 jobs per year since 2018. They partner with 3E Thermal to extend funding.

She described a boom and bust approach for contractors over the years due to inconsistent funding and programs. It's been hard sustain the industry over time. There are worries that the loss of APRPA funding will have similar effect. There has been an increase in project costs with fewer projects at the lower cost end. Barriers to low and moderate income participants are the need for significant general building repairs and the need for administrative assistance.

Funding from 2017 to 21 was \$30 mil. Funding from 2022 - 26 will go to \$80 mil due to federal programs with a steep drop off in 26. Leahy federal DOE Clean Heat Homes funds may help offset this decline. Workforce development programs with OEO and other partners will start later this year

Maura Collins, Vermont Housing Finance Agency Maura described VHFA's Weatherization Repayment Assistance Program (WRAP). The program started in 2021 with a \$9 mil. state appropriation. Participants are able to finance efficiency projects repaid through their utility bill. Payments are designed to be less than the projected energy savings and targets households at or below 120% AMI. Not all utilities are participating - just GMP (Green Mt Power), VEC (VT Electric Coop), BED and The municipal utility in Ludlow. The funding now is expected cover about 1000 customers with fewer if costs continue to rise. The new DOE (Leahy program) may help. The WRAP program is a unique public/private partnership. It's not just reliant on public funding. Capital is raised through bonding.

Discussion by the CSM Subcommittee of the Four Presentations:

The work force challenges were highlighted. There is some funding and ideas out there to grow the workforce. It's uncertain if this is a limiting factor to meeting the CAP's 90K weatherization goal. There's a big variation in the size of contracting firms - they range from 2 to over 20. Sometimes subs are used. It's not just about the number of people. There is a need for a specifically trained technical workforce.

OEO is working on a Weatherization Training Center being developed with federal DOE funds. They want to make the training available in VT instead of having trainees going to NY state as is currently the case. The workforce also faces diversity challenges including getting more women in the workforce. Funding for the new center has not kicked in yet. Hope to start this spring/summer with partners.

It was noted in the chat that the proposed start date for the Affordable Heat Act is January of 2026 (with early action credits beginning this year). If it passes, that would provide an important source of support to continue these programs in 2026 and beyond. This is relevant to the funding cliff concern that every presenter has noted today.

One member asked how do the metrics described today (number of units etc.) relate to the weatherization goals in the CAP? Who in the state is tracking (monitoring) this. Jane Lazorchak explained that Collin Smyth in the Climate Office is assigned to measuring and tracking progress on thermal and other metrics.

Brian Woods of the ANR Climate Office presented an update on status/process of ANR/PSD's work with Energy Futures Group on Thermal Sector Analysis. It will consider how new federal programs and other funding will affect the CAP's Business as Usual model. So far the Task Group report has reviewed 5 options and will rank them before forwarding to the consultant for quantitative analyses. The qualitative assessment will be completed next week. Energy Futures Group will also be coordinating their assumptions with Cambridge Systematics, the consultant working on the transportation analysis. Both the heating and transportation task forces will be meeting jointly in the weeks/months ahead regarding this coordination.

Update on Status/Process of VTrans work with Cambridge Systematics on the Carbon Reduction Strategy

Andrea Wright of VTrans presented an update on the work of the Technical Committee and the Advisory Committee of the Carbon Reduction Strategy project that is being implemented by Cambridge Systematics.

Opportunity for discussion (including public) – there were no public comments

Next Meeting Agenda Topics

Adjourn