

Introduction

This report is required by §591 of the [Vermont Global Warming Solutions Act \(GWSA\) of 2020 \(Act 153\)](#) enacted by the Vermont Legislature on September 24, 2020. The Act requires the Vermont Climate Council (VCC) created in the Act to report on its activities and progress towards meeting the greenhouse gas reduction requirements in the Act.

Core elements of the GWSA include:

- Codifying Vermont's greenhouse gas (GHG) emission reductions goals as statutory requirements and providing an explicit cause of action should the State fail to adopt sufficient measures to achieve the statutory requirements. The requirements are:
 - Not less than 26% from 2005 greenhouse gas emissions by January 1, 2025;
 - Not less than 40% from 1990 greenhouse gas emissions by January 1, 2030; and,
 - Not less than 80% from 1990 greenhouse gas emissions by January 1, 2050.
- Establishing the Vermont Climate Council (VCC)

Vermont Climate Council Role and Responsibility

The VCC is comprised of 23-member, including eight ex-officio members of the Executive Branch, eight members appointed by the Speaker of the House, and seven members appointed by the Senate Committee on Committees. Given the breadth and complexity of the Council's work, the VCC established a Steering Committee to guide the overall process and ensure progress of the work across Subcommittees. The Steering Committee is comprised of two individuals from among the Council's Executive Branch members and four individuals from among the VCC's members who were appointed by the legislature (two who were appointed by the House of Representatives and two who were appointed by the Senate). The members of the Council and its Steering Committee, along with Councilor's biographies, are all available on the [VCC's website](#). The website is maintained by the Agency of Natural Resources (ANR).

The GWSA charged the VCC with adopting the "Vermont Climate Action Plan" by December 1, 2021 and identified the following elements that must be included in the Plan:

- Strategies and programs to achieve the GHG emissions requirements established in §578 of the GWSA and adopting them in the Vermont Climate Action Plan by December 1, 2021;
- Strategies and programs that build resilience and prepare the State to adapt to the current and anticipated effects of climate change;
- Means to measure the State's progress towards meeting the greenhouse gas emissions requirements; and,
- Guidance to the Vermont General Assembly and the Secretary of the Agency of Natural Resources on legislative and regulatory changes necessary to implement the Plan.

In §591(b), the GWSA also established specific steps to be taken by VCC in developing the Plan, to include:

- Completing inventories of existing programs to reduce GHG emissions and build resilience;
- Identifying new strategies and programs that will be needed to meet GHG emission requirements and improve resilience;
- Developing financing strategies to support implementation of the work;
- Developing a monitoring strategy for tracking implementation efforts and assessing program effectiveness; and,
- Providing guidance to the Secretary of Natural Resources on rules needed to support implementation.

In addition, as identified in §592(d), the specific initiatives, strategies and programs identified in the Plan must further the following objectives:

- Prioritize the most cost-effective, technologically feasible, and equitable GHG emissions reduction pathways, adaptation and preparedness strategies;
- Provide for GHG emissions reductions that reflect the relative contribution of emissions from different sectors;
- Minimize negative impacts on marginalized and rural communities and individuals with low and moderate incomes;
- Ensure that all regions of the state benefit from GHG emissions reductions;
- Support economic sectors and regions of the state that face the greatest barriers to emissions reductions, especially rural and economically distressed regions and industries;
- Support industries, technology, and training that will allow workers and businesses in the state to benefit from GHG reduction solutions;
- Support the use of natural and working lands to reduce GHG, sequester carbon and increase resilience; and
- Maximize the state's involvement in interstate and regional initiatives and programs designed to reduce GHG emissions, and build upon state, national, and international partnerships and programs.

Activities of Council to Date

The primary accomplishment of the VCC this past year was the adoption of [Vermont's Initial Climate Action Plan](#) (CAP) on December 1, 2021. This was a significant undertaking, the VCC was challenged by both the timeline mandated by the GWSA and the ongoing pandemic.

Development of the initial CAP relied on thousands of hours of volunteer and staff time which not only resulted in some components of the CAP being compromised but a substantial strain placed on the people who contributed to the CAP. As we continue this work, we will seek to balance the priorities of the GWSA and the VCC with the capacity and resources needed to support it.

To support development of the CAP, the GWSA established four Subcommittees: Rural Resilience and Adaptation; Cross-Sector Mitigation; Just Transitions; and Agriculture and Ecosystems. The GWSA also provided the discretion to the VCC to create additional Subcommittees. To address the technical complexity and data needed for this effort, the Council created a fifth Subcommittee: Science and Data. Key roles and responsibilities of each Subcommittee is spelled out in detail in their [charge](#). The Subcommittees began meeting in February of 2021 with the core function of recommending draft initiatives, programs, and strategies for the VCC to review, refine and compile into the CAP. To ensure the Subcommittees had the right [composition](#) to accomplish their charges, recruitment focused on:

- VCC members and some measure of balance across the three appointing bodies (Executive Branch, House and Senate);
- Specific expertise necessary to create the work;
- Geographic balance;
- Sectorial balance; and
- Equity and representation of vulnerable populations.

The recommendations ultimately put forward in the CAP are the collective work of these subcommittees. These recommendations were reviewed and adopted by the VCC over the period of several months and together represent the necessary actions needed to achieve the requirements of the GWSA.

The Vermont Climate Council recognized early in the process the further work it needed to do – both internally and externally – to build equity into climate action in Vermont and Vermont’s Climate Action Plan and ensure a just transition. The Just Transitions Subcommittee supported the work by ensuring that the strategies to reduce greenhouse gas emissions and build resilience to climate change impacts will benefit and support all residents of the State of Vermont fairly and equitably. The term “Just Transitions” encompasses both public policy and business action that address the impacts of the transition away from greenhouse gas emissions for jobs and livelihoods (the transition "out") to low or zero greenhouse gas emission jobs and livelihoods of a sustainable society (the transition "in"). The Just Transitions Subcommittee designed six key [guiding principles](#) to guide the development of the CAP. These include:

- I. Ensuring *Inclusive, Transparent, and Innovative Engagement* in the development of the plan and associated policies and program.
- II. Creating *Accountable and Restorative* recommendations that recognize inequality and seek to resolve them using clearly identified strategies.
- III. Moving at *The Speed of Trust* where candor and honesty are recognized as essential for public trust and preparing Vermonters for transition to a sustainable climate future.

- IV. Incorporating *Solidarity* to create inclusionary spaces for all traditions and cultures, particularly for Indigenous communities, recognizing them as integral to a healthy and vibrant Vermont.
- V. Prioritizing *The Most Impacted First* through recommendations that address the needs of impacted and frontline communities first, providing the greatest benefits of transitions to these communities.
- VI. Developing *Supports for Workers, Families, and Communities* that consider and plan for potential impacts on workers, families and their communities based on the implementation of Vermont's Climate Action Plan

The Just Transitions Guiding Principles, adopted in August by the VCC, provide a framework utilized during the development of the CAP and also to support its ongoing implementation. The Guiding Principles helped shape the beginning of a process of engagement and the assessment of the recommendations as they speak to equity and justice. The VCC has taken some important first steps, however, the VCC heard significant frustration around the aggressive timeline for adopting the initial CAP which weakened opportunities for a robust equity analysis and public engagement process. Both are essential to move away from a status quo that exacerbates inequities and leaves impacted communities at greater risk from climate change.

This Fall, the VCC engaged with more than 1,600 Vermonters to discuss the development of the CAP as part of its [public engagement plan](#). Public events were held over a few weeks where feedback was received, an online survey was conducted, and public comments collected through the online portal were summarized in the [public engagement findings](#). These findings informed the work of the Council in drafting the CAP. To be clear, public outreach and engagement efforts were challenged by both the timeline and the ongoing pandemic. The velocity of the process influenced the participation level of groups that are likely to be more highly impacted by climate change including rural Vermonters, low-income communities, BIPOC communities, and Vermonters with disabilities. The public engagement plan identified additional opportunities for broader partner outreach and support that were not fully realized during this phase due to the lack of time to build trust and respectfully coordinate with multiple partners.

Technical Analyses

ANR managed multiple contract this year to meet the requirements of the GWSA and support the work of the VCC. These contracts included professional facilitation services to support the VCC and Subcommittee meetings, outreach and engagement support, and technical analyses to inform the development of the CAP. The latter was a contract with Cadmus who oversaw the development of five task areas and their supplemental reports. The five areas of focus were as follows:

1. [Review Current GHG Emissions Inventory](#);

2. Development of a [Carbon Budget](#);
3. Review of [Cost of Carbon and Social Cost of Carbon](#);
4. Research and Recommend Pathways for Achieving the 2025, 2030, and 2050 GWSA Targets; and
5. Development of a [GHG Tracking and Reporting Framework](#).

The Vermont Pathways Report which will bring to a closure task four is expected to be completed by the end of January. Additionally, the implementation of the proposal built into task five will be a large component of the work for the VCC and ANR in the coming year.

Next Steps

The work of the VCC is ongoing, and the VCC has been clear that this is an initial plan. It was not possible to address all the objectives identified in the GWSA to the level of detail needed to advance them immediately in the time provided by statute. As such, there are several pathways that require further work.

While the Legislature, the Agency of Natural Resources and other agencies of state government will work to advance numerous actions put forward in this plan, the VCC will continue its efforts in several key areas, including but not limited to:

- Identifying funding and financing strategies, with an immediate emphasis on recommendations related to the expenditure of the American Rescue Plan Act (ARPA) funds to support implementation of the CAP (see: [memo to the Governor and Vermont General Assembly on ARPA](#)).
- Overseeing the rollout of the Climate Action Plan and on-going public engagement.
- Furthering the implementation of the Guiding Principles and the Scoring Rubric in the program design of priority actions.
- Developing additional strategies for transportation sector emissions reduction necessary to meet GWSA GHG emission reduction requirements.
- Discussing tabled actions (i.e., biomass) and making any related recommendations.
- Organizing the subcommittees work to focus on next steps to further the resilience, adaptation, and sequestration actions prioritized in this plan.
- Finalizing ongoing technical analyses, and identifying additional work required to inform and support the CAP.
- Identifying the means to accurately measure the impact of implementation of the Plan.

In addition to the work of the VCC, the GWSA establishes specific requirements for the Agency of Natural Resources following the adoption of the CAP. Specifically, for ANR to “adopt and implement rules consistent with the specific initiatives, programs, and strategies set forth in the Plan” by December 1, 2022.¹ In addition, by July 1, 2024, ANR must review whether any rules must be updated to meet the 2025 GHG reduction requirements.²

The VCC, through the CAP, has made clear that voluntary, incentive-based programs are the preferred method of transforming the thermal and transportation sectors and has specifically recommended legislative action that would authorize such programs. The CAP recommends only two rules, both in the transportation space (CARB Advanced Clean Cars II and CARB Advanced Clean Trucks, Low NOx Omnibus, and Phase II GHG for Truck Trailers Rule), which ANR has already initiated to meet the December 1, 2022 deadline.

It is important to note that the GHG reduction requirements of the GWSA will only be met through far-reaching, economy-wide measures. Many of the programs contemplated in the CAP will take time to develop and implement effectively. The policy decisions that must be made will be difficult and are likely to be contentious, but to achieve the GWSA’s purpose, swift legislative action on the CAP recommendations is necessary.

¹ 10 V.S.A. § 593(b).

² 10 V.S.A. § 593(d).