



Exploring Cap-and-Invest: A Pollution Reduction Strategy

Public Information Meeting
Thursday, October 3

6:00 - 7:00 p.m.

Zoom Webinar Platform

- All attendees are muted during the presentation and will not be on video
- This meeting is being recorded
- If you need help with Zoom platform:
 - 1) Send Zoom chat to **Technical Host**
OR
 - 2) Send email to sgrossman@fhistudio.com
- To call into meeting:
 - Phone number: (309) 205-3325
 - Meeting ID: 810 9370 6378
 - Passcode: 255570
- Please close all apps/programs and limit streaming or downloads
- Closed captioning is available

How to Participate

Ask a Question or Submit a Comment

- Send your questions or comments on presentation content to the **Technical Host** in the **chat panel**
- A Q&A Session will follow the presentation
- A summary of questions and comments will be posted on the project website at climatechange.vermont.gov/cap-and-invest-study

Participate in the Polling Questions

- Polling questions will be used throughout the presentation
- When we arrive at the first polling question, we will share instructions on how to participate

Agenda

- Welcome
- What has Vermont done to plan for and address climate change?
- What is a cap-and-invest program?
 - How can a cap-and-invest help Vermont meet our climate goals?
 - What are the potential benefits and impacts to Vermonters?
- Introduction to this climate policy study
- Q&A Session
- Stay Involved!



Welcome from the Study Team

Jane Lazorchak
Climate Action Office Manager
Agency of Natural Resources

Andrea Wright
Environmental Policy Manager
Agency of Transportation

Consultant Team

Chris Porter
Project Manager
Cambridge Systematics

Marc Hafstead
Program Expert
Resources for the Future

Molly Robertson
Program Expert
Resources for the Future

Toni Marie Pignatelli
Engagement Specialist
FHI Studio

How to Participate in Polling

Click the link in the Zoom chat panel

OR

Visit www.menti.com and type in the code **5285 2569**

OR

Scan the QR Code to the right



What county do you live in?

0 responses

How much knowledge do you have of cap-and-invest or cap-and-trade?

0
None

0
A little

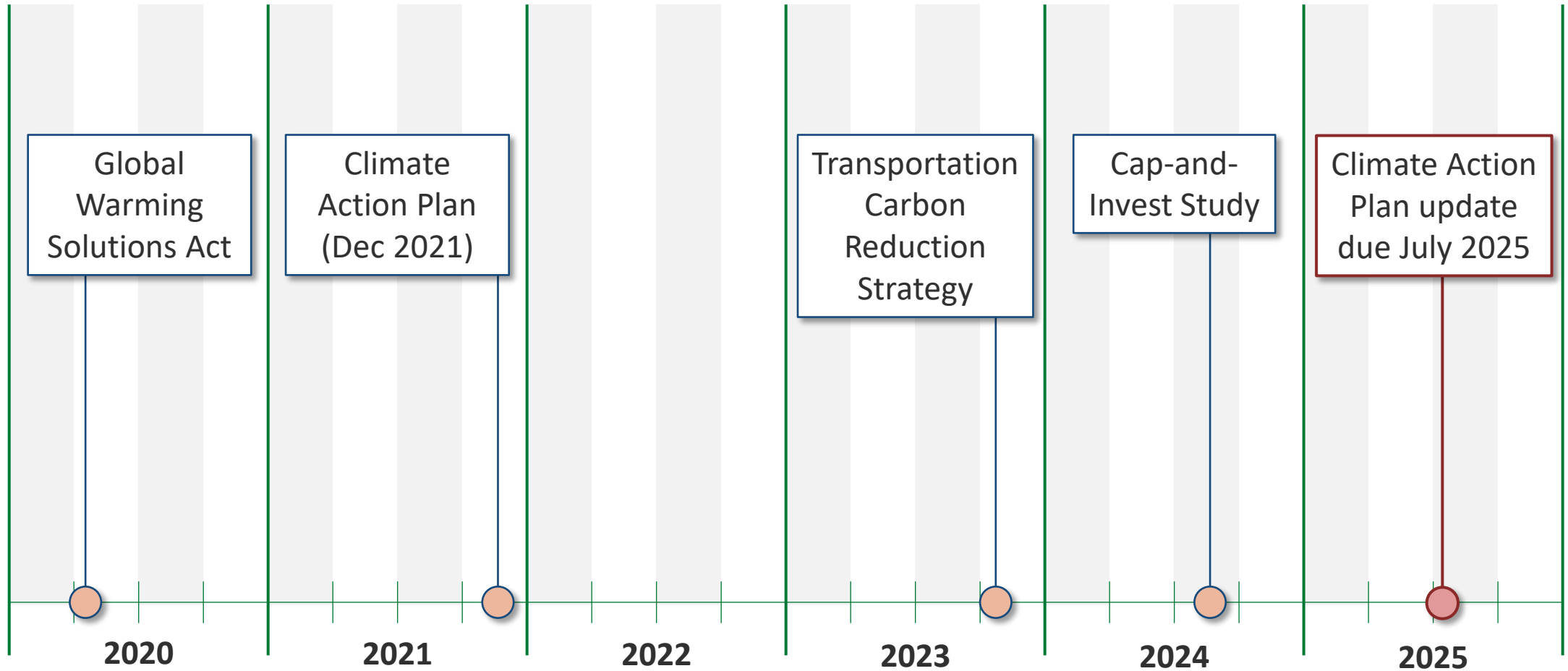
0
A lot



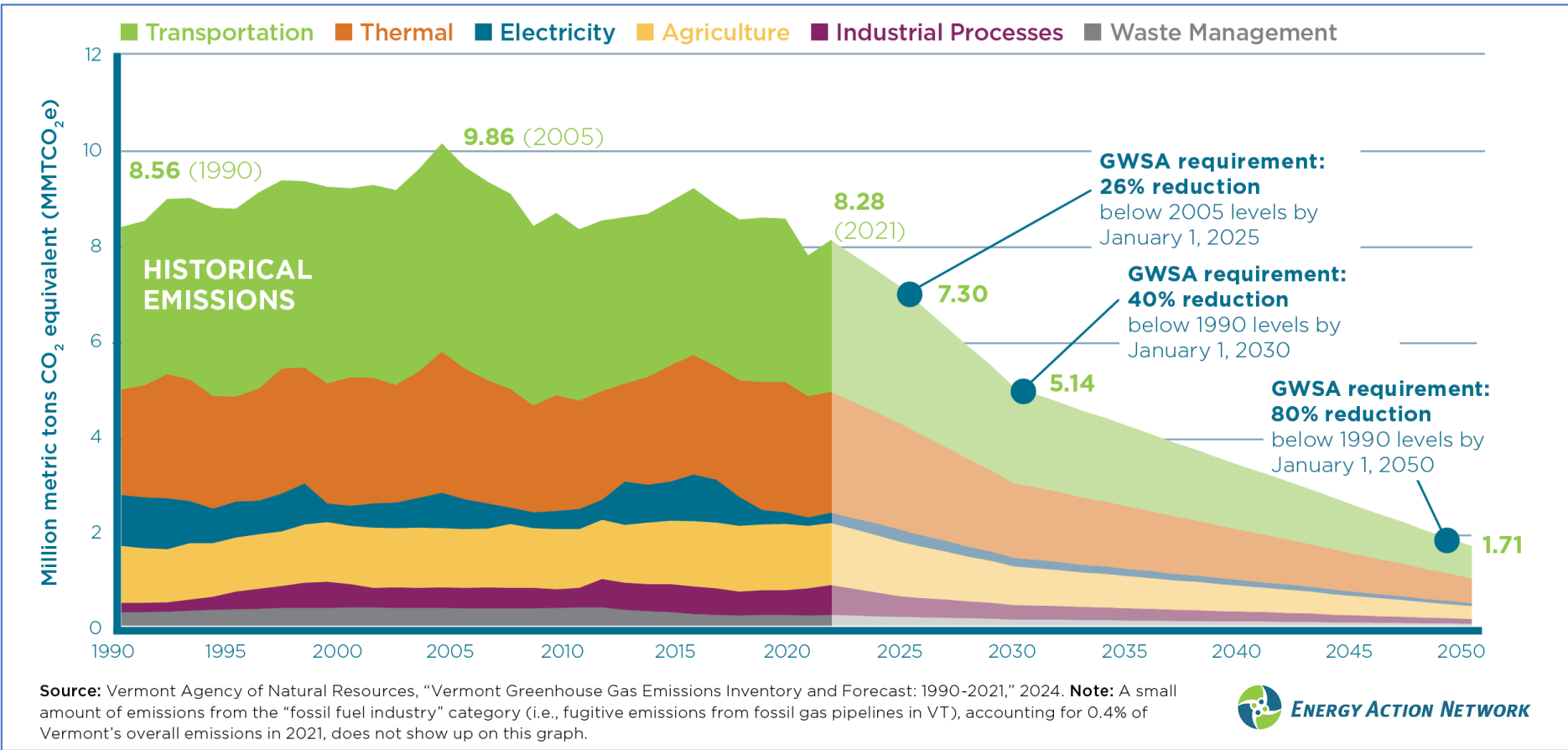


What has Vermont done to plan for and address climate change?

Vermont climate action planning



Vermont's historical GHG emissions and future requirements

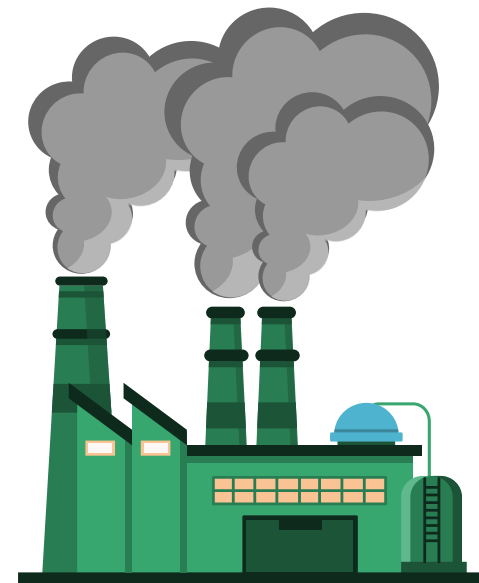




What is a cap-and-invest program?

Traditional pollution regulation

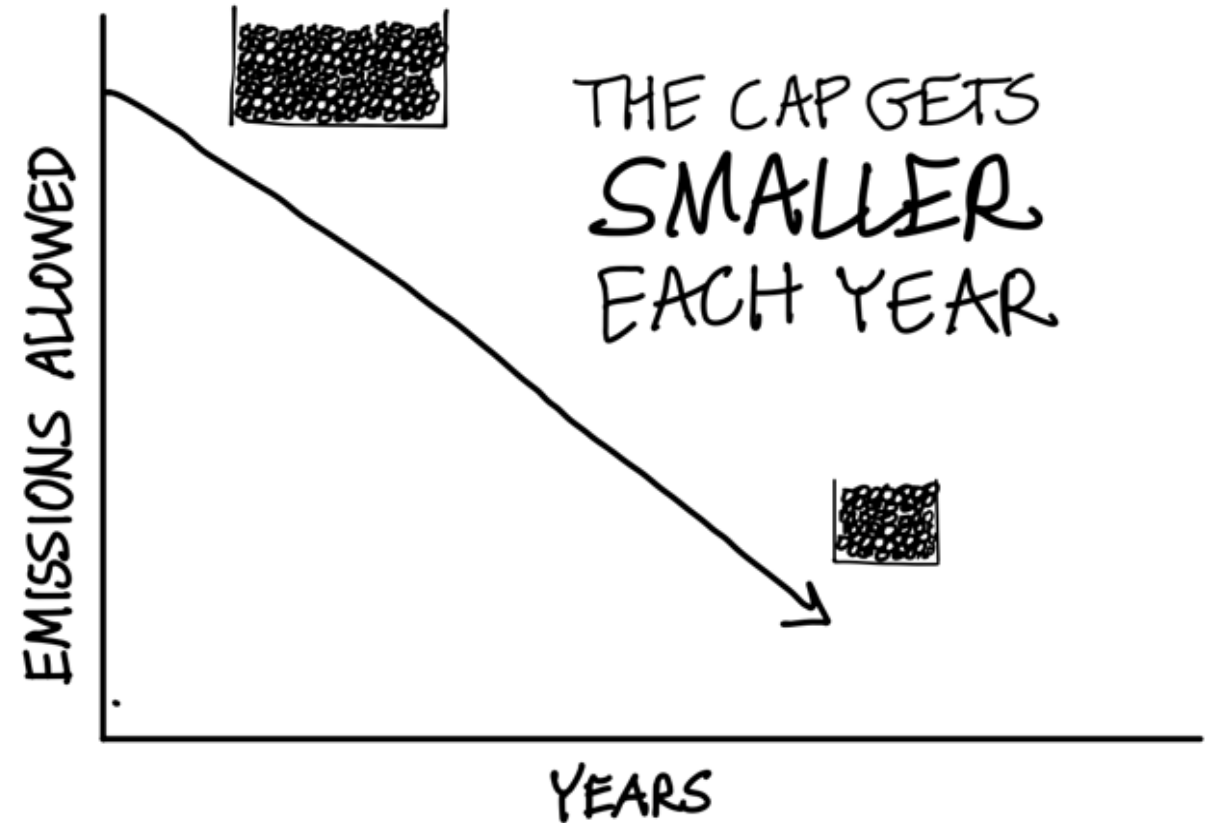
Before



After



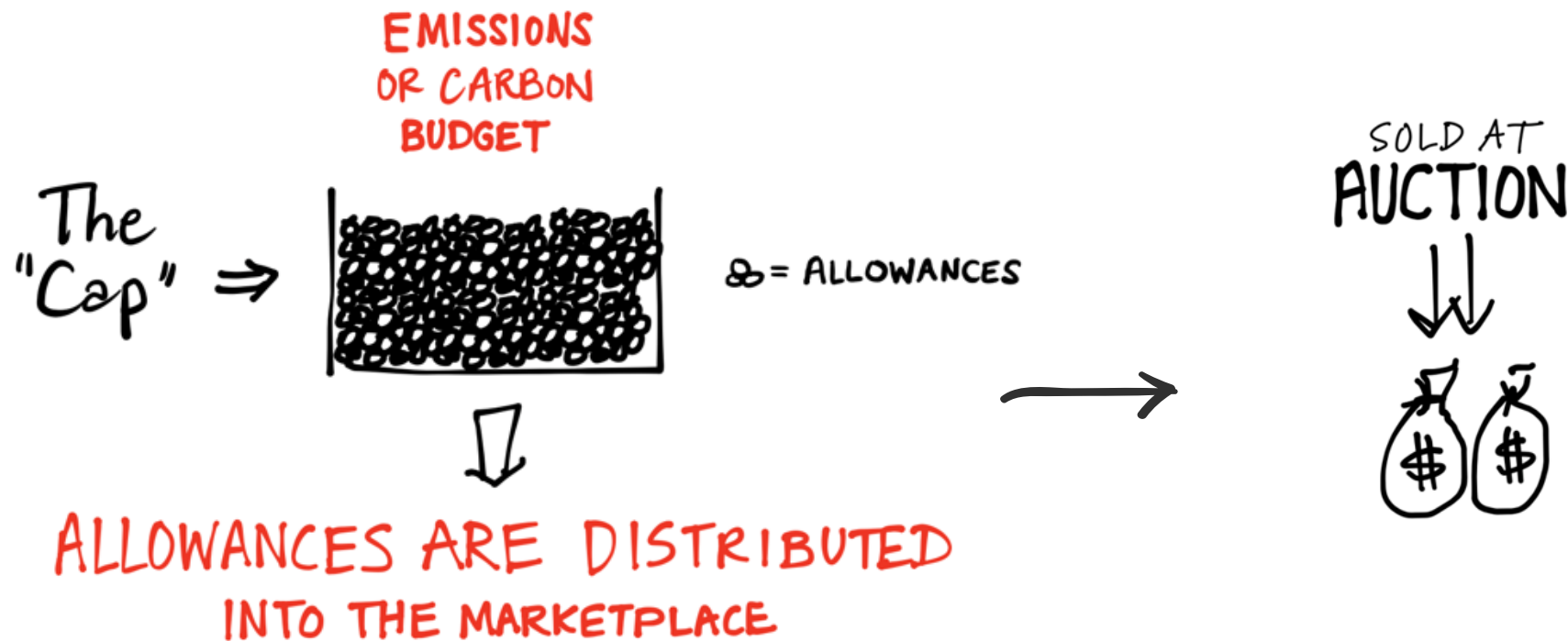
How does a cap-and-invest program work?



Graphic:
Franz Litz (adapted)

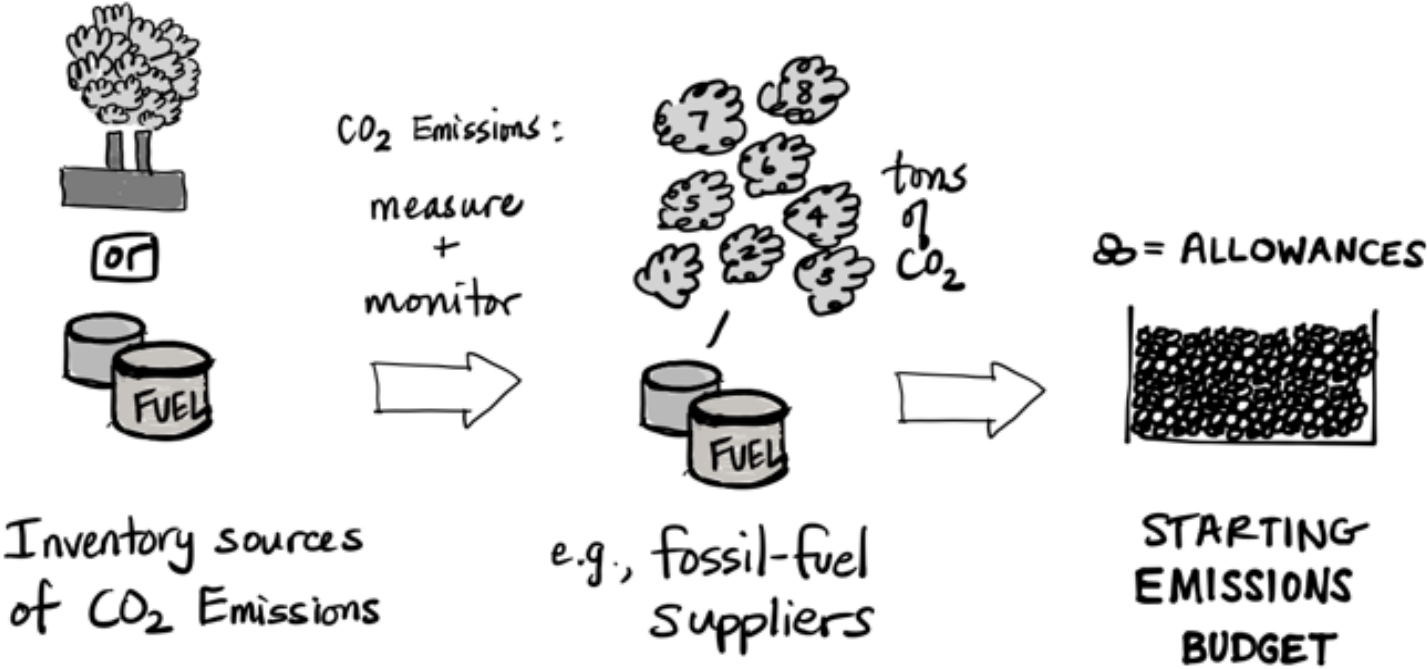


A cap-and-invest program lets the market decide how to reduce emissions



Graphic:
Franz Litz (adapted)

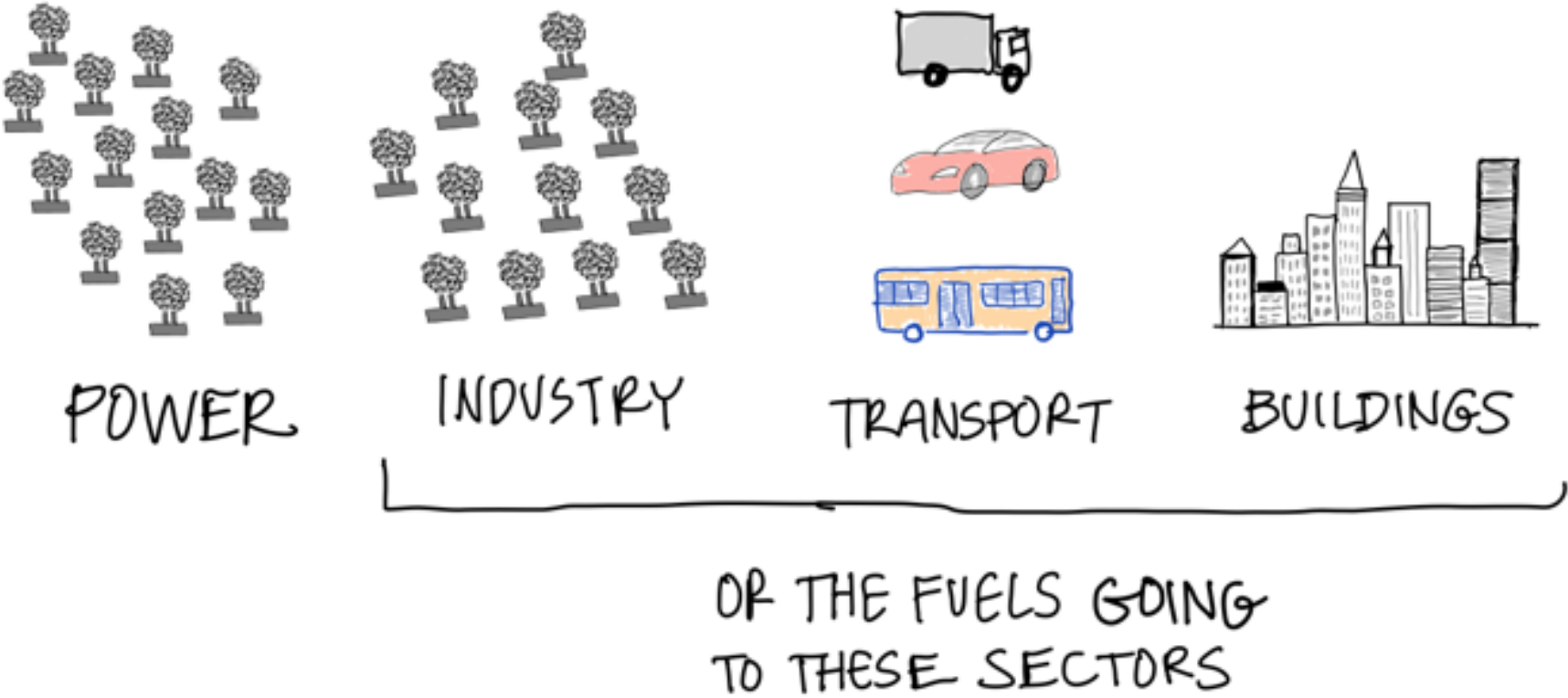
A cap-and-invest program starts with an inventory of sources



Which sources? What are the current emissions? Where to start?

Graphic:
Franz Litz (adapted)

Different emissions sources could be covered



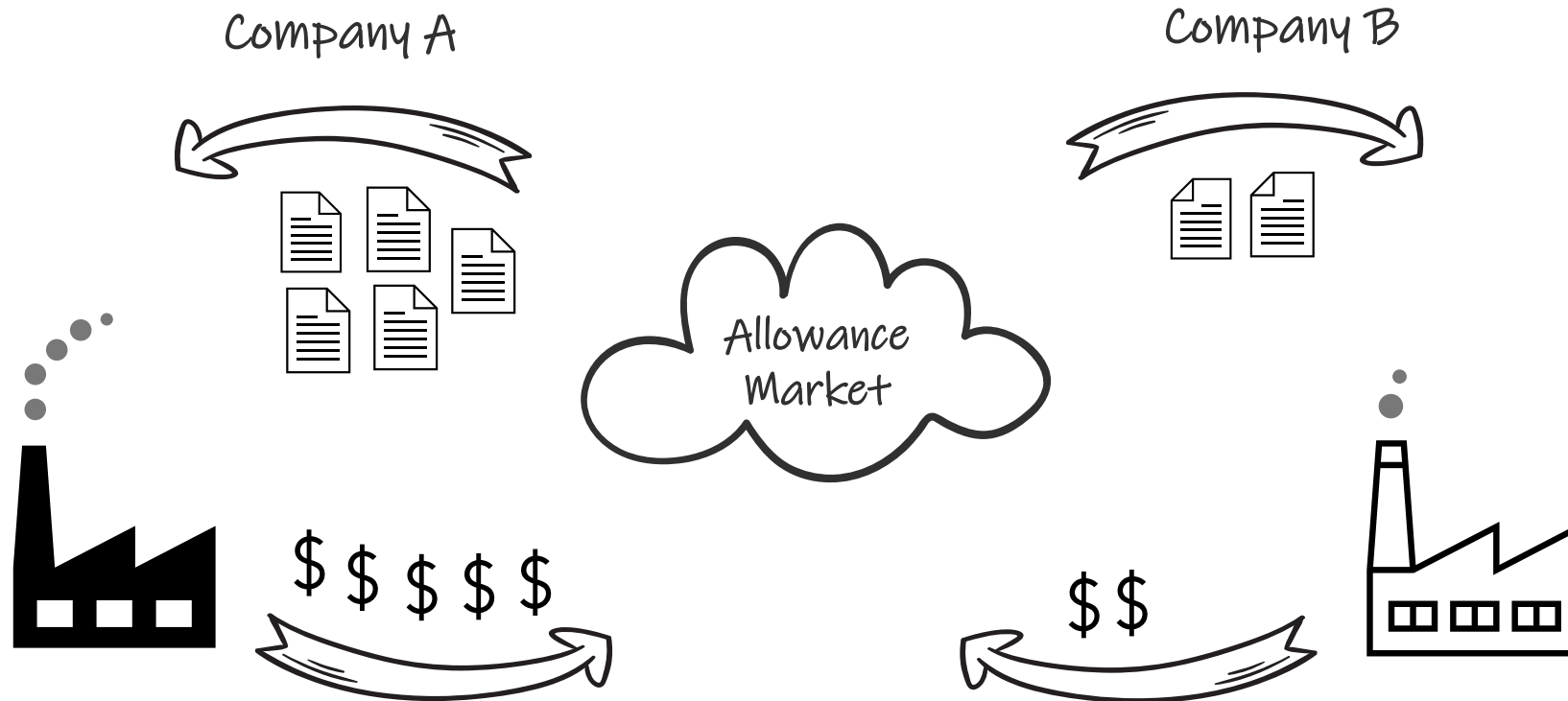
Graphic: Franz Litz
(adapted)

Who are the regulated entities?

IT MAY BE MORE PRACTICAL
TO REGULATE UPSTREAM
FUEL SUPPLIERS
WHERE ACTUAL EMITTERS
OF POLLUTION ARE TOO NUMEROUS



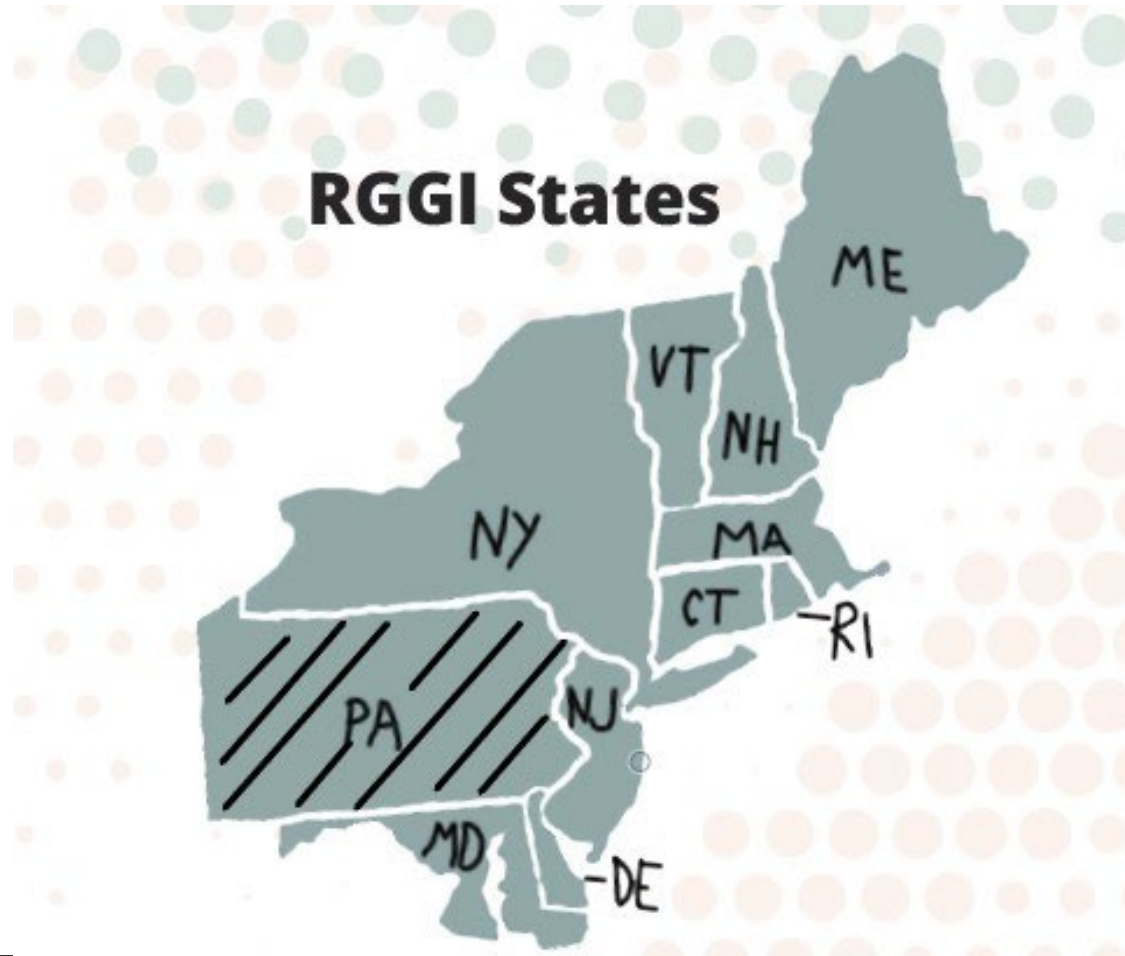
How does the market work?





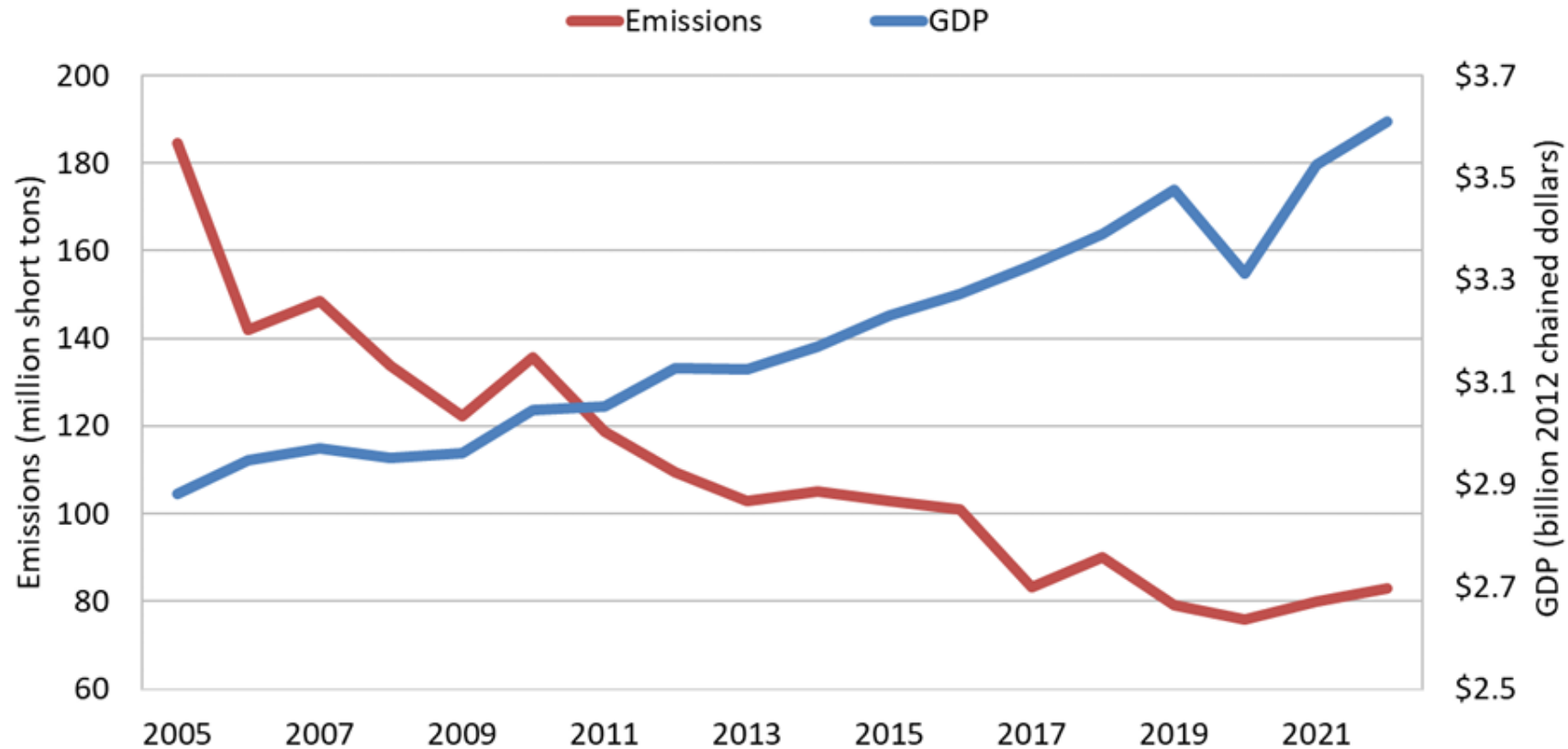
How might a cap-and-invest program help Vermont meet its climate goals?

Vermont already has cap-and-invest for the electricity sector



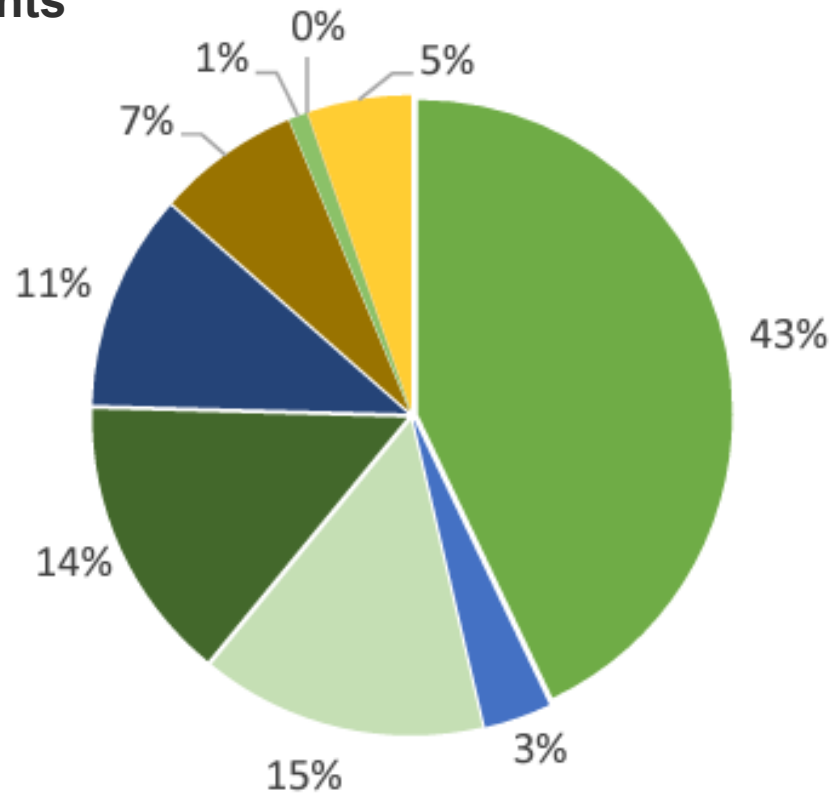
RGGI has contributed to reduced electricity emissions and energy use

RGGI GDP and Emissions



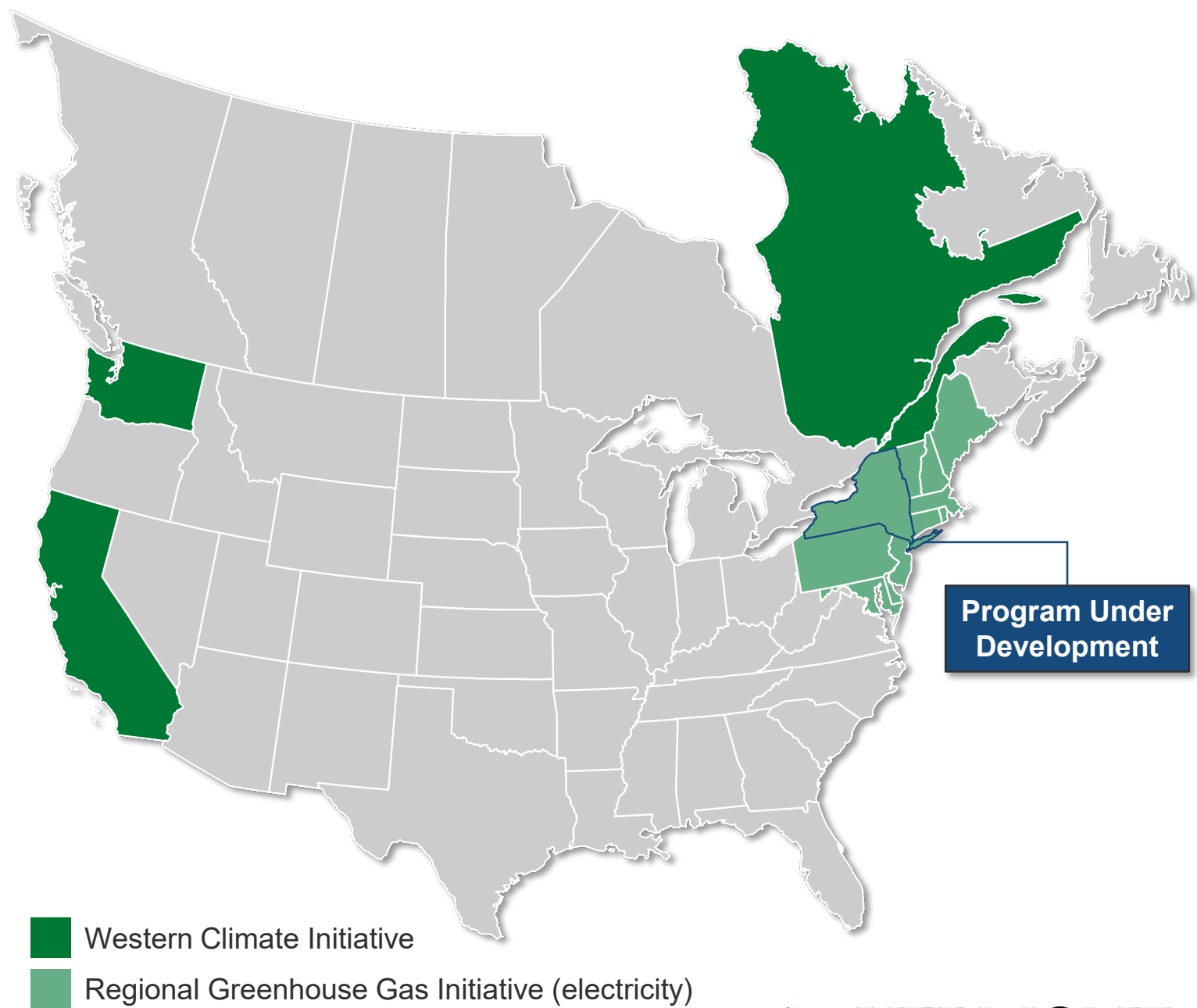
RGGI has generated investments in energy efficiency and clean energy

2022 Investments



- Residential Efficiency & Clean Energy
- Municipal, State, & Community
- Business Efficiency & Clean Energy
- Low-Income Rate Relief & Efficiency
- General Rate Relief
- Clean Transportation
- Research & Technology Development
- Other
- Administration

Other states and provinces are doing cap-and-invest





What are the potential benefits and impacts to Vermonters?

How could cap-and-invest affect Vermonters?

Benefits

More money into climate action, such as energy efficiency programs, EV, and resilience



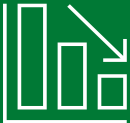
More jobs in the climate workforce



Improved health and environment



Improves decision making for businesses by formalizing a timeline for emissions reductions



Impacts

Higher prices for conventional fossil fuels

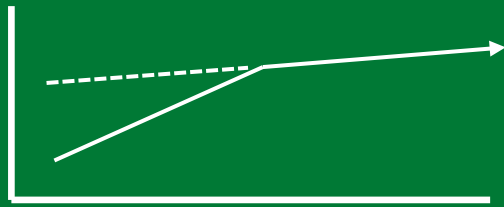


Potential border effects with non-participating neighbors

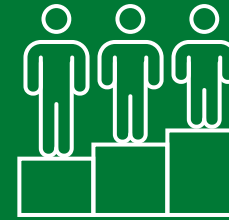


How could the state make sure a program is affordable for Vermonters?

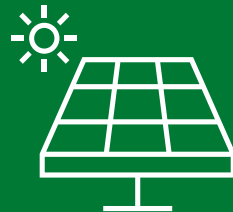
Set an upper limit on the emissions price



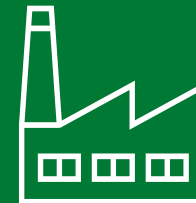
Target proceeds to ensure equity



Make it easier to switch to clean energy



Allocate emissions to at-risk industries



Proceeds can be reinvested into clean energy and efficiency programs



SUMMARY: Why consider cap-and-invest?

Declining emissions cap provides more certainty about emission reductions

Price on carbon pollution provides a signal to influence future investments

Proceeds can be equitably reinvested into energy efficiency & pollution reduction strategies that benefit Vermonters

Complements and supports other pollution reduction policies

What additional information or resources, if any, would help to increase your knowledge of cap-and-invest programs?

All responses to your question will be shown here

Each response can be up to 200 characters long

Turn on voting to let participants vote for their favorites



What is Vermont studying?

Act 148 of 2024 (the T-Bill) requires:

The State in coordination with the VCC to develop a written analysis to:

- Address the pros, cons, costs, and benefits of Vermont participating in regional or cap-and-invest program, such as the Western Climate Initiative (WCI) and the New York Cap-and-Invest program;
- Explore the adoption of a clean transportation fuel standard



The study will...

The study will estimate ...

1. the amount of emissions reduction that could be generated
2. the revenue that could be generated for reinvestment
3. potential benefits and impacts to Vermonters
4. the resources needed to administer a program

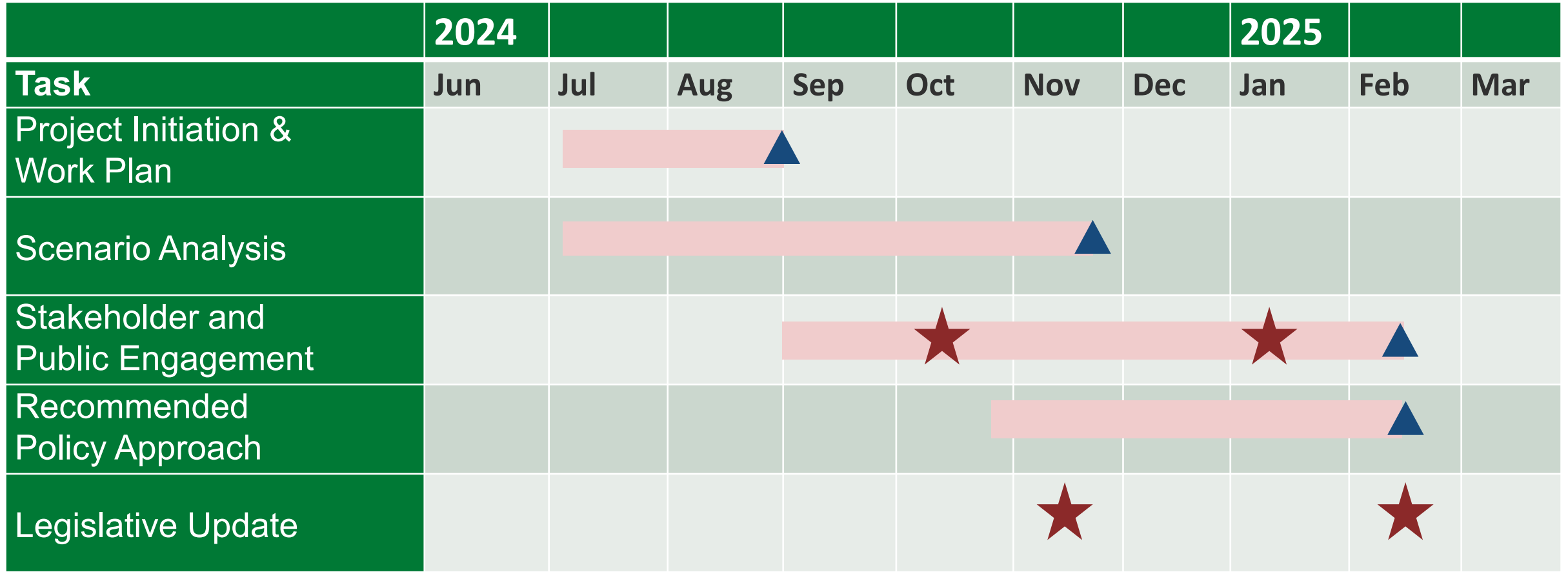
Providing information to support a recommendation from the Treasurer's Office to the Legislature about a cap-and-invest program.

Public Involvement

- Two virtual public meetings (October 3, 2024)
- Two rounds of focus groups (October 2024)
 - Community-based organizations, including equity/environmental justice groups
 - Potentially obligated industries
 - Business community
 - Environmental groups
- Two virtual public meetings (January 2025)
- Study Webpage



Study Timeline





Let's hear from you!

Questions and Comments

To Participate in the Q&A

- Send your questions or comments on presentation content to the **Technical Host** in the **chat panel**
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Thank You!

Visit the Study Website at:

climatechange.vermont.gov/cap-and-invest-study

Share your thoughts with the study team:

Email: anr.cao@vermont.gov

Phone: 802-404-2729