

Cap and Invest - Potential New Mash-Up – To Sit Above Transportation and Buildings & Thermal

Vermont Climate Council 3-31-2025

Working Draft for Discussion

- 1) Through legislation and administrative action, join a cap-and-invest program, such as the New York Cap and Invest (NYCI) or Western Climate Initiative, covering emissions from Vermont’s transportation fuels sector, and potentially other sectors, once necessary preparatory steps are taken:**
 - a. In preparation for joining, take necessary supporting steps including:**
 - ANR will develop a framework for the reporting of greenhouse gas emissions data from fuel suppliers and other significant emitters of climate pollution and recommend to the Legislature statutory by December 15, 2025 changes needed to support streamlined reporting requirements and a stepped implementation plan.
 - ANR, in collaboration with the Public Service Department, the Vermont Agency of Transportation, and collaboration with the Vermont Climate Council, will advance a technical study to determine the most appropriate and feasible mechanism(s) for addressing affordability concerns related to the implementation of a cap-and-invest program, including:
 - Distributing dividends from allowance sales directly to LMI households in close to real-time;
 - Using proceeds from allowance sales reduce greenhouse gas emissions and to provide direct incentives to support increasing energy efficiency and the adoption of low-carbon technologies, particularly for low- and moderate-income households;
 - Setting limits on allowance prices (i.e., a price ceiling) to provide certainty about maximum costs.
 - ANR and members of the Council will continue to monitor cap-and-invest programs in other jurisdictions, including New York, California, Quebec, and Washington. Updates will be provided at quarterly Council meetings.