

Vermont Climate Council
February 10, 2025, Meeting Minutes
11am-2pm

Virtual Meeting Option to Attend via Zoom: All participants (Council members and observers) use the following Zoom link: Join Zoom Meeting:
<https://us06web.zoom.us/j/89678746124?pwd=EKAuJB3LBc8UpTKCYXD4o1AzVGO7F.1>

Meeting ID: 896 7874 6124
Passcode: 517624

In person location for interested members of the public: Agency of Natural Resources - Perry Merrill NL D211

Climate Councilors present:

- Secretary Sarah Clark
- Eric Forand
- Johanna Miller
- Liz Miller
- Dahlia Cohn
- Lesley-Ann Dupigny-Giroux
- Michele Boomhower (for Secretary Joe Flynn)
- Jared Duval
- Kerrick Johnson
- Ryan Patch (for Secretary Anson Tebbetts)
- Julie Moore
- David Mears
- Kelly Klein
- Richard Cowart
- Chris Company
- Mark Levine

10:55 AM Climate Council Members and Subcommittee Co-Chairs Join via Attendee Link

11:00 AM Convene/Welcome/Overview and Approval of Agenda/[Approval of Minutes](#)
Secretary Sarah Clark and David Plumb, Consensus Building Institute

The Council approved the minutes from 1/27.

11:15 AM [Cap & Invest Study – Part 1 – An Introduction](#)

Climate Action Office and Consultants

Marc Hafstead, Program Expert at Resources for the Future, provided an overview of what a Cap and Invest program is, its objectives, and how it works. Councilors' questions and the consultant team's responses can be seen in the meeting video [here](#)¹.

11:40 PM Cap & Invest Study – Part 2 – [Results of the Technical Work Consultants](#)

Chris Porter, Project Manager at Cambridge Systematics, shared the results of the study. Councilors' questions and responses can be seen in the video recording [here](#)².

12:30 PM Public Comment

Annette Smith, Bram Kleppner, Matthew LeFluer, Earl Hatley, Stephen Dodge, Adam Aguirre, Christine Donovan, Linda McGinnis, and Dave Farnsworth shared comments verbally or in the chat. Their comments included the following ideas and questions.

- If the emissions benefits might accrue to other states, what incentives do the other states have to have a state like VT join?
- Councilors could do a better job of helping everyone understand a larger perspective in evaluating programs like this.
- It would be helpful to know how many jobs would be lost and how many would be gained, not just the net gain in jobs.
- Are the projected savings of health expenditures VT-specific?
- From a business standpoint, would it be cheaper to stay in our region?
- I'd like a clearer explanation of emissions trading, specifically about how the Cap and Trade program works as well as what is meant by an auction.
- I am concerned about the use of biofuels to reduce the emissions cost to producers. How are you calculating the carbon emissions of biofuels v. fossil fuels - in terms of life cycle, not just emissions.
- Are these allowances, emissions above the cap?
- All states that have Cap and Invest programs have successful and complementary Low Carbon Fuel Standard (LCFS) programs (Oregon, Washington, and California). It's generally recognized that those programs work better together than they do individually. Did the LCFS portion of the study consider the immediacy of carbon reductions? There's a reason

¹ <https://youtu.be/lt4MRFDNzYU>

² <https://youtu.be/lt4MRFDNzYU>

non-fossil diesel is more readily available than fossil diesel in California, and why all 12,000+ diesel engines under New York City's jurisdiction use biomass-based diesel. It's cost-effective, usually requires no retrofits, and delivers immediate carbon reductions—whether seen as a bridge or not.

- One slide mentioned revenue generation under LCFS, stating there's no net impact. While that may be true for the state, there will certainly be an impact on industry. Looking at California, the largest generator of EV infrastructure and rebate monies has come from the LCFS program—amounting to billions. Most of the money generated from LCFS credits has gone to the electricity sector, funding charging rebates and related initiatives.
- I'm looking at a slide stating there's no relationship between LCFS credits and retail gas prices. Given that, I question the 10–30% figure mentioned, as it doesn't seem to align with the reality in California.
- The social cost of carbon is a specific term of art that would benefit from further explanation—what it includes and how it's accounted for in the Cap & Invest program. Providing more detail could offer valuable context and give people additional data to consider when reflecting on the program.
- Thank you, Vermont, for making this study possible. This presentation was very informative, very clear, and very well presented. We are all very well served by having such credible, fact-based analysis and results, and well done work to inform our policymaking moving forward. I strongly support Vermont moving forward with both C&I and a CLF, especially based on this Vermont-centric analysis. It is very reassuring that we can proceed knowing that, in fact, it is possible to implement these initiatives in a way that ensures low-to moderate-income households will not necessarily experience increased costs and actually could benefit from substantially decreased costs. That is a win-win-win for all.
- In your modeling, when you refer to a high cost scenario, is the 60-cent cost assumed to be implemented from day one or did the modeling also consider a graduated increase?
- It would be useful to include a graph that shows the price volatility of fossil fuels over the past 10-15 years to illustrate the relative price difference (e.g. Currently gas is around \$3.15/gallon, whereas in June 2022 it was \$5.05/gal). In relative terms, a C&I at its highest impact is quite low.
- Vermont's Switch and Save incentive program, which targets low-income individuals, is a great example of how we could use the significant revenue from Cap and Invest more broadly. It might be helpful to include it as an illustration.
- Can you please discuss the different transp. sector mitigation approaches you relied on in your modeling.

12:50 PM BREAK

1:00 PM

Cap & Invest Study – Part 3 – Discussion

David Plumb, CBI

Councilors considered the implications of the study results and how they inform the decisions they need to make. Discussion focused on the following topics.

- The assumption has been that Vermont wouldn't pursue a Cap and Invest program alone due to a thin market and high administrative costs. Are we certain Vermont wouldn't consider going at it alone?
- With RGGI, a regional Cap and Invest market makes sense because we have a regional power market. However, when it comes to energy efficiency, Vermont runs its own statewide programs without relying on a multi-state market to find the lowest-cost efficiency measures. If our goal is to transform end uses within Vermont, then it makes sense to focus on policies that support that transformation locally.
- If an LCFS is an efficient approach for reducing emissions in transportation, could it also apply to the thermal sector? In transportation, LCFS reductions come from drop-in fuels like biofuels and investments in EVs. Could a thermal sector LCFS similarly support alternatives like heat pumps?
- In considering the concept of meeting people where they're at - do we anticipate that this will be relatively easy to understand and catch up with for people, industries, businesses, etc? How might we ensure this/could we consider interweaving some form of education into our CAP when integrating a Cap and Invest program?
- Before making a recommendation, we need more context. A deeper dive into RGGI could help, as it's a relevant Cap and Invest model. Vermont considered joining the Transportation Climate Initiative (TCI) for over a decade but never moved forward. We have a strong foundation, but looking at other states' experiences and hearing from them could further inform our discussion.
- The upfront investment barrier remains a major challenge, partly due to long-standing fossil fuel subsidies. While clean energy is becoming more cost-competitive, the initial costs remain an obstacle. The Council should explore financing solutions/ wraparound services to help Vermonters overcome these obstacles (e.g., on-bill financing). We can't make real progress without a program like this, but we need a clear path forward to better serve Vermonters.
- Hearing that Quebec actually paid dividends up front is really interesting. I'd love to know more about how they financed that.
- No single program or policy can fully meet our **emissions** reductions obligations, but a well-designed program is essential for significant reductions while ensuring cost-effectiveness and equity. The first step is ensuring Vermont's reporting requirements align with those for the

Western Climate Initiative or New York's Cap and Invest (if launched), ensuring Vermont has the option to participate.

- Should include the need to establish a reporting system in the Climate Action Plan, regardless of the path we choose.
- I was undecided between WCI and New York's program, but over time, WCI seems like the better option because it is established, reliable, and ready to go, while New York's program faces delays and uncertainty.
- We should recommend a Cap and Invest program that covers multiple sectors, not just transportation. The study started with a transportation focus because of the TCI program that did not end up moving forward, but we're not locked into that approach anymore. Expanding coverage would make the program more cost-effective and equitable.
- A key recommendation is to use a significant portion of the revenue for rebates to support lower and middle-income Vermonters and allocate the rest for incentives to help them overcome upfront costs. This would drive greater energy savings, especially for those with high energy burdens from fuel oil, propane, and gasoline.
- Councilors supported a 90-minute panel of state experts in April. Schedule it before public meetings in case there is a recommendation. Ensure Councilors can submit questions in advance.
- Moving forward with Cap and Invest involves two paths: potential legislative action based on the Treasurer's recommendation coming out next week and the Council's recommendations in the next Climate Action Plan. Since these timelines don't fully align, it's important that we should have another conversation around Cap and Invest with all relevant parties. The Council diving too deep without clarity on the legislature's direction may not be the best use of time.
- There's a lot of public interest in this. Schedule a short additional meeting after the Treasurer's recommendation to continue unpacking Cap and Invest.

1:45 PM Summary of Public Comments Received
Sophi Veltrop, Climate Action Office

Sophi Veltrop reviewed the latest [quarterly engagement report](#), covering October to December. She also shared individual comments not included in the report that highlight the need for improved public transportation in Vermont, concerns about climate change and its impact on daily life, and issues related to housing insulation in senior living communities. Other points include changing gardening climate zones affecting businesses and advocacy for stronger incentives in the Clean Heat Act. She also flagged that the summary of input from [Municipal Day](#) is now available.

1:50 PM [Council Next Steps and Writing Assignments](#)

Jane Lazorchak, Climate Action Office

The Council reviewed and confirmed next steps for writing assignments.

2:00 PM Adjourn

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