## Vermont Climate Council Draft Priority Actions

This document contains draft Priority Actions under review by the Vermont Climate Council. It is a draft for discussion at the Council's March 31, 2025, meeting. The Council has not approved these draft Priority Actions.

- 1) Through legislation and administrative action, join a cap-and-invest program, either New York Cap and Invest (NYCI) or Western Climate Initiative, covering emissions from (but not necessarily limited to) Vermont's transportation fuels sector.
  - As a first step, adopt a rule requiring the reporting of greenhouse gas emissions data from fuel suppliers and other significant emitters of climate pollution
  - In addition, authorize ANR and/or other state agencies of the State of Vermont to collect revenue and distribute proceeds from the sale of carbon allowances under a cap-and-invest program.

\*This action is a revised version of the priority action presented by Cross-Sector Mitigation Subcommittee in December 2024, reflecting discussion at the Council, the report from the Vermont Treasurer, and expert input at a March 17, 2025 webinar.

## Cross-Sector Mitigation Transportation

### 2) Reduce greenhouse gas emissions from vehicles by:

- i. Continuing to monitor and maintain Vermont's adoption of the California Advanced Clean Cars II (ACC II) and Advanced Clean Trucks.
- Supporting vehicle electrification by ensuring long-term, consistent and sufficient funding for EV incentives to low- and moderate-income car purchasers, transit and micro-transit vehicle electrification
- Supporting vehicle electrification by ensuring sufficient investment for the equitable deployment of fast charging (Direct Current Fast Charging/DCFC) and Level 2 Electric Vehicle Supply Equipment (EVSE) charging stations.

- 3) Invest in public, active, and shared transportation, such as transit, micro transit, passenger rail, biking and walking, using the VTrans Sustainable Transportation Implementation Strategy to guide investments, including VTrans' Carbon Reduction Strategy (CRS) tool. In addition, implement the compact settlement priority actions contained in this document.
  - Minimizing the need for single occupancy vehicles, also known as reducing vehicle miles traveled, has important co-benefits such as cost savings to individuals and families, access to jobs, and health and environmental benefits. Technical modeling shows that the emissions reduction benefits of public, active and shared transportation are less clear.
  - Compact settlement patterns enable public, active, and shared transportation.

**Cross-Sector Mitigation** 

**Electricity** 

4) Continued PUC oversight of utility load management programs, investments, and rate designs, and consideration of regulatory approval improvements for efficient generation and infrastructure siting.

3/31/2025 draft Cross-Sector Mitigation Electricity

5) With community and customer input, utilities and/or PUC should create procurement and customer enrollment programs to support community- based renewable energy projects. Consider cost-containment actions, funding avenues that are not electric customer supported, and how approval for community-based project siting occurs.

Cross-Sector Mitigation Electricity

6) Support continued PUC oversight of utility programs; seek state or federal sourced funding; strive for deployment across utility territories with ability to participate for all customers, including rural/low-income.

7) Adopt one or more sector-wide policy:

Option A: Through legislation or administrative action, adopt a modified Clean Heat Standard, designed for gradual implementation,\* and containing a cost cap provision with a starting price.\*\*

- The recommendation seeks to make progress now, within a program that is scalable over time, and that lives within a cost cap.
  - Gradual implementation, (implies that the mechanism would get as close as possible to GWSA targets and that complementary policies will necessarily need to carry a larger proportion of RCI emissions reductions to meet GWSA targets), and
  - Containing a price cap provision with an explicitly-stated starting price.

### and/or

## Option B: Through legislation and administrative action, join a cap-and-invest program – either New York Cap and Invest (NYCI) or Western Climate Initiative

• Study underway in the Transportation Sector

Implementation Lead: Legislature and selected state agencies

8) Secure funding for comprehensive weatherization focused on low- and moderateincome households.

Through legislation or administrative action, ensure 120,000 additional homes are comprehensively weatherized by 2030, and secure the funding needed to achieve the target with a priority on low- and moderate-income households.

- The weatherization work should recognize energy efficiency broadly. It should include traditional energy efficiency measures, electrical, health, and safety measures needed to comply with codes, and needed infrastructure upgrades such as wiring and service panels to enable electric vehicle charging, the adoption of heat pumps for space and water heating, and other strategic electrification opportunities.
- Secure a sustainable source of funding to be used specifically for eliminating barriers (e.g. required pre-requisite home repairs including, but not limited to, vermiculite removal, knob-and-tube mitigation, etc.) that prevent or delay weatherization activities from occurring in low- and moderate-income homes.

Implementation Lead: Legislature, Public Service Department

- 9) Through legislation or administrative action, ensure X\* additional commercial, industrial, municipal, and non-residential buildings are comprehensively weatherized by 2030, and secure the funding needed to achieve the target.
  - Including "weatherization ready" project needs
  - With priority for supporting/expanding existing programs (i.e. the Municipal Energy Resilience Program, Municipal Technical Assistance Program, Building Communities, etc.).

Implementation Lead: Legislature, Public Service Department \*Waiting on modeling to inform this number

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Cross-Sector Mitigation Buildings and Thermal

- 10) Secure funding for electrification of space & water heating for low-and moderate-income households.
  - Develop programs for implementation regarding 200-amp service and related building upgrades, coordinated with weatherization, efficiency, and equipment incentive programs (EV chargers, HP, storage, etc.), and ensure that any potentially related statewide program (such as Clean Heat Standard, if adopted, or enhanced weatherization efforts) includes building electrical upgrades in their design and funding models in order to enable decarbonization.

Implementation Lead: Legislature for funding initiatives; Utilities, private sector, nonprofits

## Cross-Sector Mitigation Buildings and Thermal

- 11) Conduct a study that considers the technological options and market feasibility for emissions-based equipment standards for various types of heating. The purpose is to better understand the feasibility and considerations of Vermont adopting thermal equipment emissions standard(s), either for oxides of nitrogen or, more broadly for GHGs.
  - Start by September 1, 2025 and file a report with the Vermont Climate Council by June 30, 2027
  - The study shall consider:
    - $\circ$  adoption by other states,
    - o the means by which equipment standards can influence market activity,
    - o the most equitable approaches, and
    - o how to secure the greatest emissions reductions

### Study is contingent on securing funding.

## Implementation Lead: Agency of Natural Resources, in consultation with the Department of Public Service

\*Not all CSM sub-committee members agreed with making the study contingent on securing funding.



### **Cross-Sector Mitigation**

## **Buildings & Thermal**

- 12) Through legislative and administrative action, adopt a performance- based Clean Fuels Standard that implements a declining carbon intensity (CI) score eligibility requirement for residential, commercial, and industrial (RCI) fuels and can be implemented gradually alongside other complementary policies that would be necessary.
  - <u>Alternate approach if recommended action is not deemed feasible (not performance based)</u>: Through legislative and administrative action, institute a minimum percentage clean fuel blending requirement for all residential, commercial, and industrial liquid and gaseous fuels, utilizing an approved list of eligible clean fuels.

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Cross-Cutting Issues Education

1) Build off existing resources and programs to create an open source, accessible, and interdisciplinary climate change curriculum for Vermont educators.

3/31/2025 draft Cross-Cutting Issues Education

2) Amend the Vermont State Board of Education's Education Quality Standards to incorporate environmental and climate change education at all grade levels (consider folding under "Science" and "Social Studies" curricula).

## Cross-Cutting Issues Education

3) Maintain funding for programs to educate Vermonters about their energy choice and funding options to increase energy efficiency in residential homes, including the energy Coaches and Navigator Program.

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## Cross-Cutting Issues Compact Settlement

4) Increase investment in municipalities to improve, expand and build new drinking water, wastewater, stormwater, and other infrastructure to support compact development, especially growing away from climate hazards such as flooding, and ensure the assets' long-term operation and maintenance.

### Cross-Cutting Issues Compact Settlement

5) Increase capacity for multimodal transportation planning and implementation in downtown and designated areas, such as making village centers permanently eligible for the downtown transportation fund that builds infrastructure needed to increase walking, biking and transit.

3/31/2025 draft Cross-Cutting Issues Compact Settlement

6) Continue to implement <u>Act 181\*</u> and monitor for progress. Increase investment in compact settlements as needed.

\*https://legislature.vermont.gov/bill/status/2024/H.687

Cross-Cutting Issues
Workforce Development

7) Advance the new initiative which aims to grow career pathways in climate change and clean energy fields, support new and existing workers, ensure job quality, strengthen workforce diversity, and train in service of collective alliance goal of 1 million new registered apprentices across 24- U.S. Climate Alliance states by 2035.



**Cross-Cutting Issues** 

### **Workforce Development**

8) Support training from middle school through adult education programs for a wide variety of audiences, including through the weatherization training center and the many existing training programs.

9) Target outreach, training, support systems for existing Vermont residents to enter and stay in climate change careers, including farm and forestry, clean energy and resilience careers.



Cross-Cutting Issues
Workforce Development

10) Increase the number of students who can be supported in the Career and Tech Ed system in the state including electrician, plumbing, building trades programs, agriculture and working land sectors. 11) By tracking leading data indicators, monitor the impacts of decarbonization on the workforce and create programs to support impacted workers.



Cross-Cutting Issues Workforce Development

12) Increase the number of registered apprenticeships that can be supported in the state by Vermont State University and the Department of Labor, especially in plumbing/HVAC, electrical, and weatherization.

## Cross-Cutting Issues Workforce

13) Support programs for people to start and build their own businesses in the trades, including those offered by sustainable business development and climate change career programs.

Rural Resilience and Adaptation Community Capacity and Planning

1) Increase State capacity to manage funding programs and provide technical assistance for the development and implementation of climate resilience plans, with a focus on maximizing the efficacy of Local Hazard Mitigation Plans, and augmenting existing programs with the Municipal Planning and Resilience Grant Program, the Municipal Climate Planning Framework and Guide, and the Municipal Climate Toolkit.

3/31/2025 draft Rural Resilience and Adaptation Community Capacity and Planning

2) Establish permanent, dedicated funding for Regional Planning Commissions to hire and retain staff for climate resilience planning work, hazard mitigation application development, and management of hazard mitigation grants on behalf of municipalities or other eligible grant recipients as well as cover overhead costs related to completing Local Hazard Mitigation Plans.

3) Secure sustainable, long-term funding to expand and maintain a permanent Flood Resilient Communities Fund (Community Resilience and Disaster Mitigation Fund) for the design and implementation of local and regional climate change adaptation projects and community resilience. Funding may be used as local match for federally funded hazard mitigation programs as well as non-FEMA eligible hazard mitigation activities.

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Rural Resilience and Adaptation Community Capacity and Planning

4) Create and facilitate a business support network that connects and engages local economic development and small business support organizations for the purpose of developing and providing coordinated support for business and local economic resilience and disaster response.

5) Integrating regional housing targets and ongoing mapping, including Flood Insurance Rate Map updates, River Corridors, and landslide hazards, identify areas that are suitable for new, climate safe housing, and increase funding mechanisms where communities are investing in development-ready infrastructure.

3/31/2025 draft Rural Resilience and Adaptation
Infrastructure and Built Environment

6) The State, through the Public Utility Commission and Public Service Department, should investigate resilience planning, including defining, valuing, measuring, and setting targets for grid resilience. Utilities should integrate resilience planning into their Integrated Resource Plans based on guidance resulting from this proceeding.

Rural Resilience and Adaptation
Infrastructure and Built Environment

7) Expand upon the Municipal Vulnerability Indicators tool to create a Municipal Vulnerability Index that can be used by state agencies and others as a resource to assist in prioritizing infrastructure resilience investments across the state based on specific vulnerabilities or combinations of vulnerabilities. Ensure it includes currently missing data such as historic utility outage data, to the extent available, and ANR's Environmental Justice mapping tool, when complete.

3/31/2025 draft Rural Resilience and Adaptation Infrastructure and Built Environment

8) Create a transportation flood resilience funding program to design and construct transportation projects identified as high priority locations via use of the most relevant risk and vulnerability assessment tools.

# Rural Resilience and Adaptation Infrastructure and Built Environment

- 9) Replace aging electric and communication infrastructure with the most appropriate resilient alternative when cost effective. For example, for aging and unreliable lines, evaluate improving resilience by relocating lines underground or through other options, where demonstrated to be feasible and cost effective to ratepayers.
  - Planning frameworks, valuation tools, and metrics resulting from the Resilience Investigation (Case No. 25-0339-PET) being conducted by the Public Utility Commission should be used to inform this evaluation.

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# Rural Resilience and Adaptation Infrastructure and Built Environment

10) Increase investment in municipalities to address prioritized vunerabilites by improving, expanding, and building new drinking water, wastewater, stormwater, and other infrastructure to support compact development, including asset management tools to support long-term operation and maintenance.

11) Building upon the State Hazard Mitigation Planning and Hazard Mitigation Project Review processes, develop a framework similar to the State Transportation Improvement Program that creates a fiscally constrained plan to identify prioritized state investments in resilience projects.

3/31/2025 draft Rural Resilience and Adaptation **Public Health** 

12) Provide increased capacity to strengthen messaging and awareness of local and state emergency preparedness, response, and recovery structures.

## Rural Resilience and Adaptation **Public Health**

13) Provide funding and technical assistance to municipalities and local partner organizations to support adaptation and preparedness planning in communities, with specific focus on disproportionately affected and vulnerable populations; including the identification, adaptation, and equipping of facilities to serve as community resilience hubs that serve as places for learning, collaboration, resource access, and refuge in response to climate-related hazards and other community needs.

3/31/2025 draft Rural Resilience and Adaptation **Public Health** 

14) Provide funding for resilience equipment, supplies, and services (including trees and other vegetative shade, window treatments (i.e. screens, shade, thermal barriers), efficient air conditioning (or heat pumps), fans, air purifiers, mechanical ventilation (e.g. ERVs), water intrusion and moisture mitigation & management, backup power, private drinking water testing and treatment, etc.) that help reduce the health impact of climate-related hazards for incomequalifying households. Rural Resilience and Adaptation Public Health

15) Provide state-contracted community mental health services partners more capacity to address anxiety, depression, distress, and trauma caused by climate change and climate-related disasters.

### Ag and Eco Reduce and Sequester

1) Increase funding, enhance, and adapt existing State of Vermont programs that support greenhouse gas (GHG) emissions reductions, soil carbon sequestration, and/or climate adaptation and resiliency on working lands\*. Coordinate with the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) programming to accelerate the implementation of federally funded climate mitigation and resilience practices in Vermont.

\* Example State programs include, but are not limited to: Agency of Agriculture Farms and Markets (AAFM): Agriculture-Clean Water Initiative Performance (Ag-CWIP), Best Management Practice (BMP), Capital Equipment Assistance Program (CEAP), Conservation Reserve Enhancement Program (CREP), Farm Agronomic Practice (FAP), Grassed Waterway and Filter Strip (GWFS), Pasture and Surface Water Fencing (PSWF), Vermont Pay for Phosphorus (VPFP), The Vermont Farmer Ecosystem Stewardship Program (VFESP); land acquisition, river corridor easements, wetland conservation, County Forester Program, Maintaining and Creating Resilient Forests.

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### Ag and Eco Reduce and Sequester

2) Utilize best practices to account for carbon sequestration and emission reductions from agriculture.

## Ag and Eco Reduce and Sequester

3) Fund and implement Payment for Ecosystem Services (PES) programs for lands to encourage landowners and land and water caretakers to implement practices that improve soil health, crop and forest resilience, increase carbon storage, increase stormwater storage capacity, and reduce runoff. Fund existing agricultural PES programs and expand to include or develop new programs for forestry.

Note: Payment for Ecosystem Services (PES) programs recognize and reward land and water caretakers for practices that enhance ecological function and community well-being, rooted in both traditional stewardship values and modern land management. These programs do not include carbon markets or trading.

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### Ag and Eco Support Adaptation

4) Leverage the power of peer learning to advance climate resilience by funding a Request RFP that provides funds to support Vermont Natural Resources Conservation Districts, farmer organizations, and non-profit organizations with the specific objective of allowing them to reach other farmers and do farmer-tofarmer education about improved soil and manure management strategies that enhance climate resilience.

## Ag and Eco Support Adaptation

- 5) Create a dedicated climate impact emergency recovery fund for farms and forestry operations (or ensure the agriculture and forestry sectors are given specific considerations in general state climate impact recovery fund) to ensure that they can viably recover from climate induced disasters.
  - The fund should be simple to access, deploy sufficient funds quickly following a disaster, be flexible, equitable, and proportional to meet the diverse needs of the farming and forestry community, and be sustained over time with predictable and consistent funding.

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## Ag and Eco Support Adaptation

- 6) Dedicate robust funding for farm and forest supply chain resilience and state food security, including significant investment in storage, processing, and distribution infrastructure. Prioritize investments in farm, food, and forestry businesses, cooperatives, non-profits, tribes, and community projects that have climate resilience, adaptation, and mitigation goals.
  - Funding should include a minimum dedicated base funding of \$1.5 million for the Working Lands Enterprise Initiative (WLEI), \$18 million over a three-year period for the Agriculture Development Grant program, \$500,000 in base funding for Crop Cash Plus and Farm Share, dedicated appropriations for distribution and food hub operations and infrastructure, and appropriations for research, development, and market expansion opportunities for local wood products processing and manufacturing in Vermont.

Ag and Eco Support Adaptation

7) Improve funding opportunities and create equitable access for Black, Indigenous, and People of Color (BIPOC) farm, food, and forest organizations and businesses by developing multi-year unrestricted BIPOC-centered grants and loan programs. This includes uplifting and resourcing the work of the Vermont Abenaki and other Indigenous Peoples in the State, Land Access and Opportunity Board (LAOB), and other BIPOC peoples and organizations in Vermont.

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## Ag and Eco Support Adaptation

- 8) Promote and incentivize the use of agricultural and sustainably harvested woodbased construction materials (subject to existing certification criteria or procurement standards to be developed) over imported wood and/or non-wood materials with high carbon footprints (such as steel, concrete, etc.).
  - This could include using state procurement standards to require that publicly funded building projects use chain-of-custody certified wood products (mass timber, cellulose insulation, etc.) and prioritize building materials—such as sustainably harvested wood—that align with climate goals and ecological values, while reducing reliance on high-carbon, non-renewable materials like steel and concrete.
  - Continue to research and develop the life-cycle accounting of these products for the greatest impact.

### Ag and Eco Climate-Resilient Land

9) State agencies should utilize financial incentives, siting policies, rules, and regulations to motivate solar and wind energy capacity on new buildings, parking lots (by installing solar roofs), in compact settlement areas (including renewable energy and charging facilities at rental housing) as well as in previouslydisturbed/developed areas and using disincentives to avoid or minimize forest clearing and use of agricultural land (particularly prime agricultural land) for renewable development.

### Alternative text suggestion for discussion:

State agencies should utilize financial incentives, siting polices, and regulations to incentivize, support, and preferentially site solar and wind energy capacity on new buildings, parking lots (by installing solar roofs), in compact settlement areas (including renewable energy and charging facilities at rental housing) as well as in previously-disturbed/developed areas.

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## Ag and Eco Climate-Resilient Land

10) State agencies should prioritize and incentivize (through various financial mechanisms) nature-based climate solutions (NbS), Traditional Ecological Knowledge (TEK), and Indigenous Knowledge (IK) by considering how to incorporate them into assessments, planning efforts, prioritization frameworks, and funding programs to address climate change impacts.

### Ag and Eco Climate-Resilient Land

11) State land management agencies should continue to adapt their management of lands using nature-based climate solutions (NbS) to address climate impacts, increase ecosystem resilience, enhance biological diversity, and improve water quality. State land management agencies should enhance technical assistance and resilience funds to support the financial capacity of other land and water caretakers to achieve these goals.



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## Ag and Eco Climate-Resilient Land

12) State agencies and the legislature should promote healthy, connected river corridors, floodplains, and wetlands, prioritize restoration and conservation, and incentivize water storage in headwaters and natural areas to promote flood resilience and biodiversity through expansion of wetland, floodplain, riparian forest and/or river corridor easements that better compensate land and water caretakers for restoring, managing and conserving these natural water storage areas (including opportunities presented by Act 121).

### Ag and Eco Climate-Resilient Land

- 13) State agencies should work with partners to promote strategic and equitable statewide landscape connectivity and the conservation of forest blocks, farmland, and other managed lands through planning and implementation toward 30x30 goals, in alignment with Act 59. This work should use the best available data and mapping, including Vermont Conservation Design, while braiding in Traditional Ecological Knowledge (TEK) and Indigenous Knowledge (IK).
  - Conservation planning and implementation should allow at least 9% of Vermont's forest to become (or be maintained as) old forest, specifically targeting 15% of the matrix forest within the highest priority forest blocks—including National Forests—to achieve this condition and ensure the protection of sacred sites.
  - At the same time, protecting farmland and managed forestlands from development through land conservation and protection programs is essential to ensure these land uses continue to provide climate mitigation, adaptation, and resilience benefits. Existing State land use protection programs—such as the Vermont Farmland Conservation Program and Forest Conservation Easements—should be enhanced to improve farmland access and the protection of agricultural soils and working forests.

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### Ag and Eco Technical Assistance

- 14) Enhance education, outreach, research, and technical assistance programming to encourage farmers, foresters, and other land and water caretakers to adopt strategies that increase climate mitigation, adaptation, and resilience. State agencies should work with and fund partners and higher education, such as University of Vermont (UVM) Extension and Natural Resource Conservation Districts (NRCDs).
  - These efforts should be incorporated into current programs, braiding Traditional Ecological Knowledge (TEK) and Indigenous Knowledge (IK), recognizing the value these bring to better understanding and taking care of the land. Initiatives should be designed to represent diverse perspectives while addressing a diversity of audiences and age groups. Simplify and assist with application processes for funding and support programs.

### 15) Biomass recommendation - TBD.

- Most members of the Agriculture and Ecosystem Subcommittee felt represented by the following recommendation on biomass:
- Fund and undertake, as soon as possible, the study requested by the Climate Council in its biomass addendum. And in the meantime, enact a moratorium on approvals of new biomass utility-scale electric energy facilities.
- Other subcommittee members felt more represented by one of these other recommendations, reflecting a diversity of views on the subcommittee:
  - State agencies should eliminate biomass as a utility-scale energy source and stop referring to it as renewable energy.
  - Fund and undertake the study as soon as possible, the study recommended by the Council, along with the guidance to the Vermont Public Utilities Commission (PUC) contained in the Council biomass addendum.