

6 Mineral Street
Springfield, Vermont 05156
January 18,2025

Sophi Veltrop
Community Engagement & Communications Coordinator
Vermont Agency of Natural Resources
Climate Action Office
1 National Life Drive, Davis 2,
Montpelier, VT 05620-3901

Dear Ms. Veltrop:

Unfortunately I could not connect with the public comment link you provided me, so I am enclosing my comments about effectuating a transition to a Clean Heat Standard for home heating. I may be contacted at the above real mail address, via e-mail at chuckgregory79@outlook.com or by telephone at 802-88503238.

Thank you for attending to this matter.

Sincerely,

A handwritten signature in blue ink that reads "Chuck Gregory". The signature is written in a cursive style with a large, stylized "G" at the end.

Chuck Gregory

(2)enclosures

MEMO ON THE CLEAN HEAT ACT

TO: The Legislative Climate Caucus
FROM: chuck gregory
SUBJECT: Implementing an affordable Clean Heat Act
DATE: January 13,2025

Summary: The PUC report opines that the Clean Heat Act's implementation will likely be repugnant to Vermonters due to its complexity and novelty. This memo proposes an alternative.

To align with the global profile on an environmentally sustainable output of global warming emissions, all of America needs to reduce its output by 25%. Vermont proposes a very major step in this direction with its Clean Heat Act (CHA). However, the public finds the prospect of doing so unaffordable.

From an environmentalist point of view CHA will not suffice unless it motivates the public to inculcate as a new value behaviors for choosing and using sources of energy. From a policy point of view, it is advisable to offer the strongest possible incentives for the public to do so. This paper posits that the two strongest incentives are 1) Significant savings in the household budget and 2) Exercise of personal choice and personal responsibility through the universal availability of heating fuels at no cost up to the limit of 75% of average annual heating cost.

To use the Town of Springfield as an example, there are about 3,200 houses (data for apartments is not included) expending an estimated average of 100,000,000 BTU's annually for heating and cooling. Most of this is provided through fuel oil, propane and wood. For convenience, assume that all are heated by #2 fuel oil. This would mean that it requires 689 gallons of oil to heat and/or cool one house year round, which at \$3.50 per gallon would cost \$2,400, or \$7,724,138 in total. The spot price (the cost at the source our distributors use) for #2 heating oil on January 6, 2025 was \$2.89, a saving of 17.5% in the program

If someone supplied that oil at cost to those homes, the homeowners would save \$1,352,000 or approximately \$422 per household.

Now, if the State of Vermont taxed those households and provided that same amount of oil at cost, their taxes would go up, but by an average of \$422 less than the tax rise.

As the most equitable tax hike would be a uniform percentage levied at all income levels, it would be possible to have the lowest levels have savings well above the \$422 average (see attached supplements on "Portion of Vermont Gross Household Income Held by Portion of Households at Given Income Level, 2022" and "'Comfort Level' Income Status, Vermont, 2022"). Plus, they would have no \$2,400 oil bill to pay.

So it would be in Springfielders' favor to have the state provide the heating oil, propane, wood, etc., at spot market prices.

However, since the goal of the Clean Heat Act is to reduce greenhouse gas emissions, it is necessary to have reduction incentives in place. Households would need to be motivated to adopt "green" habits of living and heating: insulating, smart thermostats, energy-efficient appliances, learning new habits of minimal energy use and so forth.

The incentive would lie in the State of Vermont supplying only 75% of the home's annual source for heating and cooling. Knowledge of this cliff limit would spur most if not all to plan ahead, working in the traditional Yankee spirit of "use it up, wear it out, make it do" to avoid having to pay a small fortune in the private market. There are already a number of programs which are already available for householders and landlords.

For the householder who falls off the cliff, the default position would be that of having abandoned "personal responsibility," which at least one party emphasizes. Addressing the issues of those who fall short will probably need to be addressed, but the vast majority will be motivated to plan for the future. However, the combination of assured fuel for most of every winter and the adoption of new standards and behaviors regarding home heating and cooling will not only create a very substantial reduction in greenhouse gas emissions, but also provide an example for others seeking an answer to this life-threatening problem.

POLICY QUESTIONS: While the above plan is simple in concept, many policy issues might need to be dealt with. Here are a few:

1. The Joint Fiscal Office needs to provide data on actual (and, it is hoped, granular) residential heating costs, including multi-family units throughout the state.
2. Policies will have to be developed regarding the heating of residential outbuildings.
3. The future role of the present suppliers of fuel oil will have to be taken into account. Will they be contracted to be the delivery networks? Will they be able to continue as providers, installers and repairers of heating equipment? What might be needed to get their support or overcome their opposition?
4. The acquisition and storage of oil, propane, coal, wood pellets, etc., will have to be addressed.
5. Due to its special Vermont features, firewood acquisition and distribution will require a somewhat different approach.
6. The matter of including commercial buildings and businesses will have to be considered separately.
7. Finally, there is the question of would be the effect of having to delay action on the Clean Heat Bill if the substance of this memo is taken under consideration?

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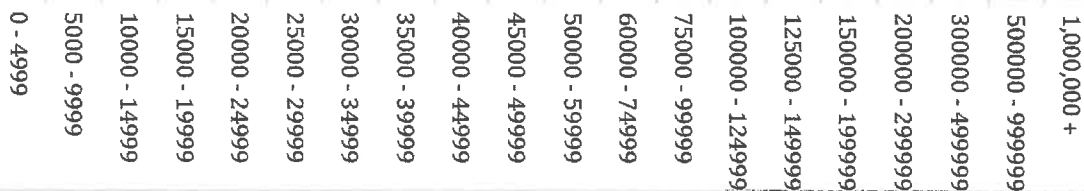
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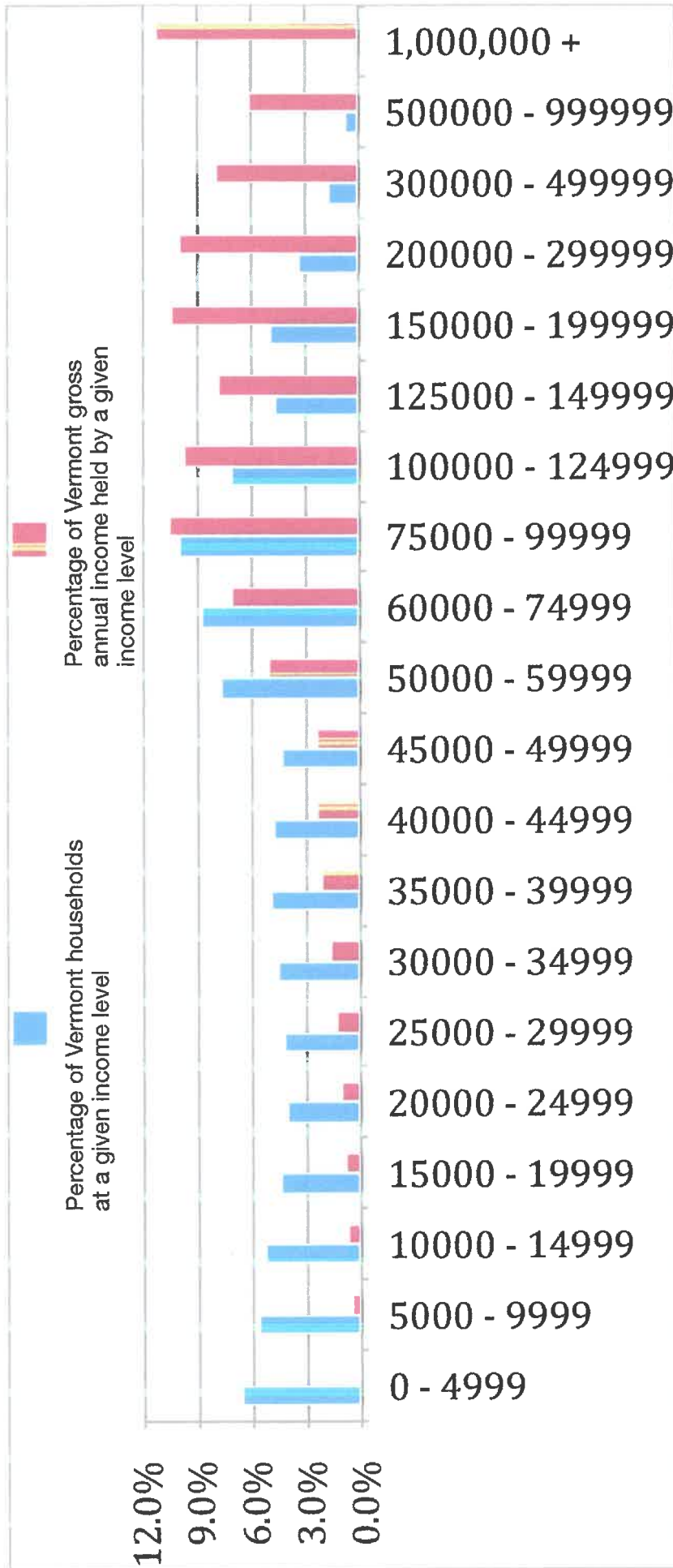
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This is a comparison of the level of comfort families experience at each income level. "Comfort" is defined as the ratio between the percentage of households at an income level and the percentage of gross state income that level holds.

The closest 1:1 ratio, 1:1.1, is at the 75,000-\$99,999 level, slightly above the average state household income. State median income is ~\$52,000.





(Source, Vermont Department of Taxes, 2022)