

Vermont Climate Action Commission

Thursday May 10, 2018

1:00pm - 4:00pm

Agency of Natural Resources Annex
190 Junction Rd. Berlin, VT

Commissioners Present: Riley Allen (for June Tierney), Marie Audet, Ted Brady (for Michael Schirling), Harrison Bushnell, Kristin Carlson, Paul Costello, Matt Cota, Tom Donahue, Daniel Dutcher (for Michele Boomhower), Jared Duval (for Linda McGinnis), Bethany Fleishman, Joe Fusco, Liz Gamache, Bill Laberge, Johanna Miller, Bob Stevens, Robert Turner, Peter Walke, Jennifer Wallace-Brodeur

Agenda Items

Welcome

Co-chair Walke determined there was a quorum

March Meeting Minutes

The committee approved not printing the meeting notes from the previous meeting for circulation as a conservation measure. Co-chair Walke noted that the meeting notes are lengthy and are circulated via e-mail to the commission members prior to each meeting. The notes are also available to the public for review on the commission internet page.

The meeting notes from the March meeting were approved unanimously.

Working Group Progress Discussion

Co-chair Costello acknowledged the large amount of effort that has been made so far. Regarding the commission's report, he noted that the primary audience is the governor. The level of detail in the report should reflect this. The report needs to present bold concepts and leadership direction that that governor can move forward with. Details can be developed later.

Other attributes of the final report that the commissioners discussed and agreed on:

- Commission recommendations need to be prioritized in some way.
- The report's executive summary should identify the top X (suggested 10) actions/strategies.
- Commission recommendations should focus on new actions.
- The recommended actions/strategies should identify a lead agency or entity for implementation.

Regarding prioritization, the co-chairs instructed the subcommittees to prioritize their recommendations in the next iteration of their respective sections. The full committee will discuss and agree on the top recommendations at the next meeting.

Transportation (J. Wallace-Brodeur)

The working group proposed recommendations to overcome barriers to EV deployment. VW settlement funds are embedded into the recommendations. The upfront cost of EVs is likely the #1 barrier to EV deployment. Policy recommendations include state level EV incentives and used vehicle market development. Other priority goals/focus areas are EV charging infrastructure deployment and electricity rate design.

Commissioner Fleishman provided a summary of potential non-EV/transportation demand management (TDM) related strategies for consideration, including school consolidation, increasing school bus ridership, school/municipal bus sharing, and increased enforcement for protection of non-motor-vehicle traffic.

The co-chairs noted that state EV incentives were not identified as a priority activity at the December commission meeting.

Commission recommendations for the Transportation subcommittee to consider in the next iteration:

- Consider two subsections – one for EVs and the other for TDM.
- Activities of other parties should be identified but not be included as a recommendation. Activities already being performed by agencies are not new work and shouldn't be included.
- Explore both EV incentives and other approaches to reduce the cost of EV ownership.
- Consolidate recommendations that call for public funding in a single section.

Building Energy – R. Allen

The subcommittee developed five recommendations:

Weatherization surge – Exploration of funding sources, costs and benefits. Focus is low-income weatherization. This is of interest to the governor.

Building electrification – Actions include customer education, electric ratepayer incentives via controlled loads, utility engagement/encouragement. It was suggested that renewable energy and storage needs to be incorporated into this element.

Net Zero for New Buildings Roadmap / State Lead-by-example, and Building labeling/High performance buildings – Develop a roadmap for new construction Net Zero by 2030; increase the number of buildings with an energy label/score and establish baselines. There was discussion regarding the issue of home energy labeling as mandatory or voluntary. A suggested initial action was to have home energy scores/labels prepared for homes that voluntarily participate in an energy retrofit, since

the information necessary to score a home is collected during pre- and post-project audits that are required to qualify for already existing incentives.

Biomass energy – Highest impact action: expand incentives for advanced wood heat via the Clean Energy Development Fund and Efficiency Vermont.

State Institutions Energy Management Program – A proposed new program, modeled after the existing and successful State Energy Management Program run by Buildings and General Services. It would provide energy management services to the institutional market of municipalities, universities, schools and hospitals.

Smart Growth – P. Walke

The subcommittee's recommendations are targeted at overcoming obstacles – particularly the cost of downtown development vs. development in greenfields.

Metrics – Data is needed on where current development is occurring. There is also a need to develop tools to evaluate the greenhouse gas impact of compact/smart development at the Vermont scale – existing tools are designed for much larger urban areas.

Recommendations:

- Intergovernmental cooperation to direct development to appropriate areas e.g. through wastewater and stormwater permitting;
- Creative financing options – including making State Revolving Loan Funds available to private entities (e.g. Lawson's Finest Liquids in Waitsfield), TIF districts;
- Smart growth audits for municipalities;
- Allow municipalities to incorporate regional plan elements by reference into their municipal-level plans; and
- Use of Act 250 to encourage downtown development.

Sequestration – Agriculture and Forests

Agriculture and Forests are currently two separate sections. The intent is to combine into one section for the final report.

Agriculture (M. Audet) – The state is already on a trajectory to increase soil carbon sequestration, but it's necessary to prioritize this activity. Practices to increase carbon sequestration in soils are directly in alignment with practices to reduce phosphorus runoff and will result in water quality co-benefits. Recommended actions:

- 1- Keep doing the good things (agriculture soil conservation practices) that are already occurring;
- 2- Maintain current level of support (funding and resources) which is on schedule to be reduced; and
- 3- Track and monitor results of conservation practices for carbon as well as phosphorus.

Commission comments:

- Include establishment of baseline agricultural land carbon sequestration to measure the effectiveness of conservation/sequestration practices against over time.
- Boldly advocate for continued resources for agricultural best management practices (BMPs) and other programs that are likely to have a carbon benefit.

Forests (R. Turner)

The overall priority is to keep forests as forests. Activities include:

- A pilot project for sale of forest carbon offsets on smaller privately-owned parcels;
- Improving the accessibility of information that informs local and regional planning efforts;
- Joining the Western Climate Initiative (WCI) for sectors other than electricity, with resulting revenues as a source of funds for supporting/incenting forest carbon sequestration practices; and
- Continuing funding of conservation easement purchases through the Vermont Housing and Conservation Board

The commission discussed Vermont participation in the WCI. The co-chairs noted that the governor has previously notified the commission that he was not supportive of a study of participation in a regional carbon market. It was noted that that participation in the WCI offset market does not require participation in the WCI cap-and-trade program. The co-chairs will discuss this issue and will revisit at the next meeting

Climate Economy (T. Brady)

A definition of “climate economy” is needed and will be developed, but two candidate sectors – grid modernization (also needs additional definition) and biomass – have been identified by the subcommittee as examples. Each has a critical mass of existing in-state businesses and resources. The overall recommended strategy is direct business assistance via incentives.

Specific recommendations for the grid modernization sector include:

- Utilize existing Vermont Employment Growth Incentive program;
- Create a new Climate Economy Innovation Fund;
- Create a new Small Business Innovation Research Matching Program;
- Create new workforce development programs for climate economy businesses;
- Create a student load forgiveness program for entrepreneurs/workings in climate economy businesses; and
- Create programs to encourage development of intellectual property.

Specific recommendations for the biomass sector include:

- Streamline permitting for new wood pellet production plants; and

- Establish (through existing program) Economic Development Incentive electricity rates for wood pellet production plants;

One overall recommendation - Modify the existing Research and Development Tax Credit to make it fully refundable for all climate economy startups that may have little or no current tax liability.

The group noted deputy secretary Brady's enthusiastic presentation style.

Commission Discussion of Working Group Draft Recommendations

Co-chair Walke proposed establishing a new working group to create an outline and template for the final report sections to guide the next iteration of subcommittee product. Members Walke, Costello, Fusco, Bushnell, Carlson. The initial meeting of this group will be scheduled for next week.

Other commission comments:

- The final report needs to re-establish connection to the issue of greenhouse gas reduction as a whole. The report needs an inclusive, compelling narrative for the entire committee to communicate to the governor and other audiences.
- The process and recommendations presented do not appear to directly address the large systemic changes that are necessary for Vermont to meet its greenhouse gas reduction goals. The commission discussed the merits of such an approach versus the bottom-up approach reflected in the work of the subcommittees. This will be a topic of discussion at the next meeting.
- The report would benefit from an estimate and accompanying graphic that shows the potential effect (greenhouse gas reduction) of each recommendation.

Commission Future

Co-chair Walke reported that the governor wants the commission to continue in some form or fashion after delivery of the report in July. He opined that the current format of the commission and the pace of idea generation is not sustainable in the longer term, and risks lack of implementation. He proposed a structure which creates an entity staffed by state agencies with citizen members as an active advisory body. The model is the existing Interagency Committee on Chemical Management.

Commission feedback:

Whether or not the commission continues in some form, there should be an emphasis on ensuring that the recommendations approved or supported by the governor are followed through on.

Public Comment and Adjourn

No members of the public were in attendance.

The meeting adjourned at 4:00pm.