Despite the increased urgency of doing something substantive about climate change, despite a new federal administration hostile to science and despite the clear economic and environmental opportunity to proactively, intentionally and strategically transition to more clean, renewable energy supplies, there has been little done (and little likely to be done) during the 2017-2018 legislative biennium.

This is an update of the biggest energy and climate bills and issues at play in the waning days of the 2018 legislative session. In these final days there remains significant uncertainty, so all of this is still TBD. Below, we outline bills that (if passed) will make small, needed progress, bills that (if passed) would slow climate action and bills that will not pass this session.

**PROACTIVE CLIMATE and CLEAN ENERGY EFFORTS:**

**Carbon pricing study – and a broader “climate package” that reflects a few recommendations of the Governor’s Climate Action Commission.** The House and Senate successfully passed – in the budget (H.924), not as a stand-alone bill – a provision that would allocate $120,000 to support an impartial examination of multiple decarbonization policies, such as carbon pricing, cap and invest, etc. This study is part of a broader package of climate-focused initiatives, all of which were based on recommendations of Gov. Phil Scott’s Climate Action Commission. The other four provisions are:

- **Investing $200,000 in a woodstove change out program.**
- **Weatherization Loans & Funding.** This section includes two provisions. One enables the Vermont State Treasurer to invest up to $5 million in residential weatherization loans. Another small provision allocates $500,000 to help support greater investments in energy efficiency in state buildings.
- **Mandating that at least the first year of the 10-year, $18.7 million Volkswagen Settlement fund monies must go to support transportation electrification (rather than diesel or other fossil fuels).**
- **Recognition that, in total, the above four provisions are designed and will help to foster a climate economy in Vermont.**

This package passed both the full House and Senate overwhelmingly, as part of the budget. Unfortunately, this package is caught in some political mire. While the climate package itself is (potentially) not a target of Governor Scott, the budget is. Governor Scott has added the budget to a growing list of bills he has threatened to veto for various reasons, potentially putting this modest but important package of climate actions in peril. As legislators head towards likely adjournment mid May, it’s anticipated that they will be returning in mid June for a veto override session – and it’s unclear but likely that the budget (and, as such, this climate package) will be in that unfortunate mix.

Read the climate package on page 110 of the budget – H.924.

**Appliance Efficiency Standards.** H.410 – a bill that would expand the number of products required to have efficiency standards (particularly products not currently covered at the Federal level) passed the House and the Senate Natural Resources & Energy Committee, and is now under consideration in the full Senate where it is likely to pass and go back to the House for concurrence. The core component of the bill would expand efficiency standards to air compressors, commercial dishwashers, computers and computer monitors, and more – a significant energy-saving solution. This small and not-very-controversial bill is also now serving as a vehicle for attaching other legislative priorities, which complicates its path. In essence, H.410 is now being treated more like an energy omnibus bill and, at this moment, includes a few other provisions. They include:
Two reports from the Public Utilities Commission (PUC) and the Department of Public Service (DPS) on grid constrained areas, including the Sheffield-Highgate Export Interface (SHEI) in the Northeast Kingdom. The significant transmission constraints in the SHEI have led utilities to call for a moratorium on new renewables in that area. Instead, this language would call for reports on a) the results of recent applications for new renewables in that area (from the PUC) and b) how to handle grid constrained issues across the state in a way that advances our renewable energy and climate goals, rather than impeding them.

Requires an annual report from the Public Service Department on progress toward our Comprehensive Energy Plan goals, an overview of annual energy consumption, projections on whether existing policies put us on track to meet the CEP goals and a request for recommendations on policy and other solutions to put us on a path to attain 90 percent renewable by 2050.

Electric Vehicles (EVs) Parking: Several provisions prohibit non-EVs from parking in spots with an EV charger.

• The Miscellaneous Energy Bill, H.676, which also includes the once stand-alone pollinator friendly solar bill, passed the House and the Senate and now heads to the Governor’s desk for his (potential) signature. The core provisions of the bill are:
  - Eliminating the setback requirements for solar parking lot canopies.
  - Eliminating the Agency of Natural Resources permit fees for rooftop solar (up to 500 kW).
  - Establishes a voluntary standard for pollinator-friendly habitat on sites hosting solar electric generation

The bill also imposes a new fee on solar projects 50-139 kW (to align the fees for ANR with the projects they currently review).

• Incenting Advanced Wood Heat. There is an effort to exempt the purchase of advanced wood heating systems from the state sales tax; an effort to help reduce the upfront cost of these systems. This provision is now being considered as an amendment in the Senate Finance Committee.

POTENTIAL REGRESSIVE EFFORTS on CLIMATE and CLEAN ENERGY

Clean Energy Development Fund: In a letter to Senate Appropriations leaders, the Scott Administration recently requested that $500,000 be transferred from the job-creating Clean Energy Development Fund (CEDF) to the General Fund. While the Administration labeled this $500,000 shift as a suggested “technical correction” to the House-passed budget, such a transfer could result in the closure of the Fund. This is partly due to the fact that the CEDF is already short over $453,000; dollars owed to the CEDF as a result of funds transferred to cover the potential but ultimately unrealized expenses for a solar tax credit. Language in the budget that the Senate recently passed largely resolves these shortfall issues and this provision (and the Climate package more broadly, as noted above) moved successfully without issue in the House and Senate’s budget conference committee. Lawmakers have made clear their support for maintaining the integrity of this job-creating program by protecting CEDF dollars. Unfortunately, Gov. Scott has threatened a veto of the budget for a variety of reasons, making both the CEDF and the broader package vulnerable to political jockeying.

For more background on the CEDF, read a letter VNRC sent to legislative leaders on this matter here.
Expanding Opportunities for Businesses to Undertake Self-Managed Efficiency. The House passed and the full Senate will soon take up a bill – H.739 – that creates a three year pilot program capped at $2 million dollars per year. It gives Efficiency Vermont more flexibility in working with businesses who apply for the program (by partnering with them to install energy storage systems, for instance). This came out of a Scott Administration proposal that would have resulted in a significant cut to efficiency programs, meaning that the first priority of energy efficiency advocates was to focus on limiting the scope and negative impact to these changes – after which we were able to turn it into a modest “win” for expanding and diversifying energy efficiency services. Ultimately, the bill is in pretty good shape, limited dramatically from the bill as it was originally introduced. It now ensures that this pilot is under the purview of and in partnership with Efficiency Vermont, which is essential to ensure the integrity of the program and ensure the benefits of system-wide efficiency are enjoyed by all Vermonters – not just participating businesses. This three-year pilot will also hopefully prevent future attempts to make the same kind of attack on efficiency programs. With hard work on the part of many parties to find common ground and compromise, it’s likely this bill will move forward. It passed out of Senate Finance and Senate Appropriations, and votes in the full Senate are expected on Wednesday and Thursday, after which the House would have to approve the Senate’s changes.

BILLS THAT WON’T MOVE THIS SESSION:

• The electric bill-reducing “ESSEX” carbon pricing plan. Lawmakers in both the House and Senate have introduced a bill modeled off of the innovative idea put forward by business, academic, low income and other advocates last November. This plan – the “Economy Strengthening Strategic Energy eXchange” – or ESSEX plan – would put a gradually rising price on heating and transportation fuels – the state’s two biggest GHG emitting sectors – and return all of that revenue to Vermonters by reducing their electric bills, helping to accelerate the transition to renewable electrification. The ESSEX Plan also provides additional financial relief to lower-income and rural Vermonters to offset the higher costs of heating fuel and gasoline. S.284 is the Senate version of the policy concept and H.791 is the House version. It was never anticipated that these bills would move this year, but hearings took place on both bills. If passed, the carbon pricing/decarbonization study will help shed light on the costs, benefits and value of this approach – or others – and support future advocacy efforts.

• Prohibit New Fossil Fuel Infrastructure Project Development. Rep. Mary Sullivan (Burlington) introduced a bill – H.746 – that would effectively halt the development of new fossil fuel projects in Vermont. The bill got a hearing in the House Energy & Technology Committee but is sitting “on the wall” and stalled for this year.

FOR MORE BACKGROUND on VERMONT’s LEGISLATIVE LANDSCAPE...

Stay tuned in! Visit www.vnrc.org for more info and, each week, stay tuned to what’s happening – or not – on climate and clean energy in the Vermont Legislature by following VNRC’s “Climate Dispatch from the State House.” Check out last week’s “Dispatch” with Senate President Pro Tem Tim Ashe at http://vnrc.org/programs/energy-climate-action/education-and-advocacy/ and follow (and SHARE!) each week at #ActonClimateVT via Facebook and Twitter.

Also, be sure to follow timely policy issues, events, programs and opportunities by signing up (and encouraging others to sign up) for VECAN’s newsletter at www.vecan.net and VNRC’s at www.vnrc.org. Also, if you’re inspired, members make our work possible. Learn more about joining VNRC at www.vnrc.org too. Thanks for all you do!