

April 12, 2023

Committee on Environment and Energy
Vermont House of Representatives

Dear Chair Sheldon and Committee Members:

We are writing to express our continued concern with the language in Section 3 of S.5 in 30 VSA § 8123(3) stating that “Clean heat measures shall not include switching from one fossil fuel use to another fossil fuel use.” We request that the consideration of whether or how to qualify or value projects based on fuel type or other factors be part of the work done through the Public Utility Commission and its stakeholder discussions and deliberations in developing its proposal for the Clean Heat Standard.

Disqualifying projects that replace one fossil fuel with another that reduces emissions for credits under the CHS will limit the projects that would contribute to achieving Vermont’s emission reduction goals. Industrial and commercial customers, in particular, that might face more limited electrification or other non-fossil options could be left paying the full customer cost of the CHS while being unable to mitigate those costs with credits from projects that would nevertheless be contributing to the program’s goals and the state’s obligations.

To the extent that there are concerns that customers will pursue projects that provide less reductions than electrification or other non-fossil fuel use, this fails to acknowledge that the state’s goals will nevertheless remain the same regardless of the relative reductions of the projects that collectively meet them, as well as the circumstance that electrification or other non-fossil use might not be optimal or even available to all customers. It would seem counterproductive to effectively encourage customers to hold off on projects that could otherwise contribute to achieving emission reduction goals for an indeterminable period of time in the hopes that an electrification or other non-fossil option might or might not become available and viable years in the future.

With these considerations in mind we respectfully request striking this prohibition from the bill and allow the PUC to make a determination as part of its work in development an affordable heat standard proposal.

Sincerely:

Associated Industries of Vermont

Lake Champlain Chamber

Vermont Chamber of Commerce

Vermont Retail & Grocers Association