

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Natural Resources, Fish, and Wildlife to which was  
3 referred House Bill No. 763 entitled “An act relating to a study of approaches  
4 to greenhouse gas reduction” respectfully reports that it has considered the  
5 same and recommends that the bill be amended by striking out all after the  
6 enacting clause and inserting in lieu thereof the following:

7 Sec. 1. RECOMMENDATION OF CLIMATE ACTION COMMISSION  
8 FOR A STUDY ON GREENHOUSE GAS REDUCTION

9 In preliminary recommendations dated December 29, 2017, the Vermont  
10 Climate Action Commission created by the Governor through Executive Order  
11 No. 12-17, published as No. 10-42, states:

12 (1) “To ensure global temperature rise remains no greater than two  
13 degrees Celsius above pre-industrial levels, the entire global population will  
14 need to transform its relationship with energy use. A wide spectrum of policy  
15 mechanisms that aim to enable those choices and reduce GHG [greenhouse  
16 gas] emissions have been investigated and implemented by nations, regions,  
17 states, and provinces around the world . . .”

18 (2) “Whether any of those policy approaches would effectively reduce  
19 GHG emissions in Vermont while spurring economic innovation, making  
20 Vermont more affordable, creating jobs, protecting the most vulnerable, and  
21 ensuring all Vermonters have the ability to be part of the climate solution

1 remains an open question. To answer that question, the Commission  
2 recommends an independent, non-partisan evaluation of the full spectrum of  
3 regulatory and market-based approaches to reducing GHG, including carbon  
4 pricing mechanisms, carbon market opportunities, and regulatory control  
5 policies.”

6 (3) “The Commission recommends the Legislature’s Joint Fiscal Office  
7 contract that study with a well-respected, independent research organization to  
8 provide Vermonters with the information needed to make informed  
9 decisions . . . The Commission offers to provide a small working group made  
10 of a subset of its members to assist in the scoping of the study, if desired.”

11 Sec. 2. GREENHOUSE GAS REDUCTION; JOINT FISCAL OFFICE;  
12 STUDY; REPORT

13 (a) Study. The Joint Fiscal Office shall conduct a study to analyze the  
14 **fiscal impacts costs and benefits for Vermont** of adopting and implementing  
15 **various regional and Vermont-only** approaches to reducing greenhouse gas  
16 (GHG) emissions caused by Vermont’s consumption of fossil fuels.

17 (1) The study shall evaluate the costs and benefits for Vermont of  
18 **regulatory and** market-based approaches to GHG reduction, including:

19 (A) **the costs and benefits for Vermont of** applying a carbon  
20 **charge, including an analysis of similar charges enacted in other jurisdictions,**  
21 **such as British Columbia and Ireland; and**

1            ~~(B) the costs and benefits for Vermont of a cap-and-trade~~  
2            ~~approach, including an analysis of existing cap and trade programs such as~~  
3            ~~the Western Climate Initiative or an expansion of the Regional~~  
4            ~~Greenhouse Gas Initiative (RGGI) that may be applicable; and~~

5            ~~(C) the costs and benefits for Vermont of regulatory approaches~~  
6            ~~to reducing GHG emissions from the State's consumption of fossil fuels.~~

7            ~~(2) The study shall compare the approaches evaluated under subdivision~~  
8            ~~(1) of this subsection, including their comparative ability to achieve significant~~  
9            ~~reductions in GHG emissions; the impact on and to spur economic~~  
10           ~~development, innovation, and job creation and displacement in the State;~~  
11           ~~their potential for job displacement; and their effect on the cost of living in~~  
12           ~~Vermont.~~

13           ~~(3) The study shall consider both multijurisdictional and Vermont-~~  
14           ~~only approaches to GHG reduction.~~

15           ~~(4) The study shall evaluate tax incentives and tax structures with~~  
16           ~~respect to carbon pricing that may spur economic development.~~

17           ~~(5) The study shall evaluate the feasibility and outcome of~~  
18           ~~expanding RGGI to include GHG emissions from all fossil fuel~~  
19           ~~consumption in the member states.~~

20           ~~(3) With respect to carbon pricing approaches, the study shall develop~~  
21           ~~and evaluate options for the collection and disbursement of revenues.~~

1           (4) The study shall evaluate whether revenues may offset other Vermont  
2           fees or taxes.

3           (5) The study shall evaluate distributional impacts, by income and  
4           regions of the State, of the different approaches to GHG reduction and analyze  
5           methods to mitigate income- or location-based inequities.

6           (b) Funds; appropriation. In conducting the study, the Joint Fiscal Office  
7           shall retain independent, professional assistance. Notwithstanding any  
8           contrary provision of law, up to \$100,000.00 during fiscal year 2019 is  
9           authorized and appropriated to the Joint Fiscal Office from the sale of carbon  
10           credits pursuant to 30 V.S.A. § 255 for this retention. Persons retained shall  
11           work under the direction of the Joint Fiscal Office.

12           (c) Legislative Council. The Office of Legislative Council shall be  
13           available to the Joint Fiscal Office to provide legal assistance.

14           (d) Climate Action Commission; Executive Branch agencies.

15           (1) The Vermont Climate Action Commission created by the Governor  
16           under Executive Order No. 10-42 (12-17) shall appoint and provide a small  
17           working group to assist the Joint Fiscal Office.

18           (2) In conducting this study, the Joint Fiscal Office shall be entitled to  
19           such assistance and relevant information from any agency of the Executive  
20           Branch as the Office considers necessary.

1        (e) Report. On or before January 15, 2019, the Joint Fiscal Office shall  
2        submit a report of the study with its findings to the Senate Committees on  
3        Finance and on Natural Resources and Energy; the House Committees on  
4        Energy and Technology, on Natural Resources, Fish, and Wildlife, and on  
5        Ways and Means; and the Senate and House Committees on Transportation.

6        Sec. 3. EFFECTIVE DATE

7        This act shall take effect on passage.

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9        (Committee vote: \_\_\_\_\_)

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Representative \_\_\_\_\_

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FOR THE COMMITTEE

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