

1 Introduced by Committee on Natural Resources, Fish, and Wildlife

2 Date:

3 Subject: Conservation and development; climate change; greenhouse gases;
4 emission reduction; evaluation of approaches

5 Statement of purpose of bill as introduced: This bill proposes to require the
6 Joint Fiscal Office to conduct a study, with independent professional
7 assistance, on the costs and benefits to Vermont of various approaches to
8 reducing greenhouse gas (GHG) emissions and submit a report of its findings
9 to the General Assembly. It also proposes that the Governor have a duty to use
10 existing avenues, such as the Coalition of Northeastern Governors, to advocate
11 for regional and interstate solutions to GHG reduction.

12 An act relating to a study of approaches to greenhouse gas reduction

13 It is hereby enacted by the General Assembly of the State of Vermont:

14 Sec. 1. GREENHOUSE GAS REDUCTION; JOINT FISCAL OFFICE;
15 STUDY; REPORT

16 (a) Study. The Joint Fiscal Office shall conduct a study to analyze the
17 fiscal impacts of adopting and implementing various approaches to reducing
18 greenhouse gas (GHG) emissions caused by Vermont's consumption of fuels
19 used in transportation, heating, cooling, and ventilation.

20 (1) The study shall evaluate:

(dr req 18-0822 – draft 1.2)
1/23/2018 - ADA - 09:48 AM

I've seen the issues raised about British Columbia as an example. The World Bank has studied carbon pricing around the world. See, e.g., <http://documents.worldbank.org/curated/en/636161467995665933/State-and-trends-of-carbon-pricing-2015>
I would specify a minimum number of other jurisdictions, at least 4.

1 (A) the costs and benefits for Vermont of a carbon tax approach,
2 including an analysis of the carbon taxes enacted in other jurisdictions, such as
3 British Columbia and Ireland;

4 (B) the costs and benefits for Vermont of a cap and trade approach,
5 including an analysis of programs such as the Western Climate Initiative or an
6 expansion of the Regional Greenhouse Gas Initiative (RGGI); and

7 (C) the costs and benefits for Vermont of other regulatory or market-
8 based approaches that may exist.

I would include non-market-based approaches, also, such as education, subsidy, and finding and developing lower-cost low-carbon alternatives.

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

I would include:
1. a measure of cost effectiveness of the approaches, such as cost per ton of CO2 emissions avoided.
2. Cost-benefit ratios of the approaches.

14 (3) The study shall consider both interstate and Vermont-only
15 approaches to GHG reduction.

16 (4) The study shall evaluate tax incentives and tax structures that may
17 spur economic development and include an analysis of the effects of a
18 regressive carbon tax.

Progressive?

19 (5) The study shall evaluate the feasibility and outcome of expanding
20 RGGI to include emissions from transportation, heating, cooling, and
21 ventilation.

I would add changes over time in the distributions across income groups of:
1. Greenhouse-gas-emission reductions,
2. Household income over energy expenses,
3. Energy burden (energy expense as a percent of household income), and
4. Carbon price burden, when carbon has a price.
To provide this information I would use multi-year simulation models that recognize the variability of household income and expenses in different income classes.

1 (6) The study shall evaluate whether revenues may offset the sales,
2 income, or property tax.

3 (7) The study shall evaluate methods to provide assistance to mitigate
4 effects on Vermonters with low income.

5 (b) Funds. In conducting the study, the Joint Fiscal Office shall retain
6 independent, professional assistance for which up to \$100,000.00 is authorized.

I would create a list of analyses to run and information to generate, then show it to the JointFiscal Office or some consultants to get a sense of how much

7 Persons retained shall work under the direction of the Joint Fiscal Office.

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

10 (d) Executive Branch. In conducting this study, the Joint Fiscal Office
11 shall be entitled such assistance and relevant information from the Executive
12 Branch or any agency thereof as the Office considers necessary.

13 (e) Report. On or before January 15, 2019, the Joint Fiscal Office shall
14 submit a report of the study with its findings to the Senate Committees on
15 Finance and on Natural Resources and Energy, the House Committees on
16 Natural Resources, Fish, and Wildlife and on Ways and Means, and the Senate
17 and House Committees on Transportation.

18 Sec. 2. GOVERNOR; ADVOCACY; REGIONAL CARBON SOLUTIONS

19 The Governor or designee shall use all available fora to advocate for
20 regional or interstate solutions to reducing greenhouse gas (GHG) emissions,
21 such as a regional carbon tax or cap and trade system. Such fora include the

R&D to develop lower-cost, low-carbon alternatives could also be done more cost-effectively on a regional basis. The same would go for:
1. Finding such alternatives elsewhere and bringing them here, and
2. Training builders and installers in the proper and cost-effective use of the alternatives.

1 Coalition of Northeastern Governors, the annual conference of New England
2 Governors and Eastern Canadian Premiers and its regional climate change
3 initiative, and the Regional Greenhouse Gas Initiative.

4 Sec. 3. EFFECTIVE DATE

5 This act shall take effect on passage.