

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 costs and benefits for Vermont of adopting and implementing regional and
15 Vermont-only approaches to reducing greenhouse gas (GHG) emissions
16 caused by Vermont’s consumption of fossil fuels.

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

19 (A) applying a carbon charge, including an analysis of similar
20 charges enacted in other jurisdictions and of recent legislation introduced in
21 Vermont to enact similar mechanisms; and

1 (B) a cap and trade approach, including an analysis of existing cap
2 and trade programs.

3 (2) The study shall compare the approaches evaluated under subdivision
4 (1) of this subsection, including their comparative ability to achieve significant
5 reductions in GHG emissions and to spur economic development, innovation,
6 and job creation in the State; their potential to cause shifts in employment; and
7 their effect on the cost of living in Vermont.

8 (3) The study shall develop and evaluate options for the collection and
9 disbursement of revenues.

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

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

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

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

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

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

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

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

15 Sec. 3. EFFECTIVE DATE

16 This act shall take effect on passage.

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18 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE