

Testimony before the Senate Natural Resources and Energy Committee and the Senate Economic Development, Housing, and General Affairs Committee.

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Good morning, Senators. Thank you for this opportunity to address the Committee.

It is my privilege to be the Executive Director of Capstone Community Action.

Throughout Lamoille, Orange and Washington Counties, Capstone stabilizes lives, empowers individuals, nurtures children, and creates environmentally and economically sustainable households and communities.

Capstone, in partnership with the Office of Economic Opportunity in the Agency of Human Services, provides weatherization services to low income households. Let me add my personal thanks to this Committee and its members for seeing the value in conservation and supporting this essential funding last year. As you know, weatherization improves the indoor air quality, thereby reducing the risk of drafts and molds in these households and reducing medical expenses. Further, weatherization saves the average “fuel poor” household between \$400 and \$600 a year, which is money that families can use toward other essentials.

Coming here from the Midwest, I truly believe that Vermont can be a model for the rest of the country in how to build strong, economically and environmentally sustainable communities that leaves no one behind. Along with Vermont’s impressive Farm to Table movement, a sustainable, renewable Vermont can be a brand that attracts and retains young people like my two sons. For that reason, I am proud to serve on the VT Climate Economy Action Team facilitated by the Vermont Council on Rural Development.

You might ask why an agency that works to help low-income Vermonters is committed to creating a sustainable future for our State and nation. Because climate change impacts the lives of economically vulnerable Vermonters the most!

How, you ask?

- These families often live in the most areas most vulnerable to the severe weather events. They don't have the financial wherewithal that families at other income levels have to relocate.
- Low income households also occupy housing that is the least able to protect them from severe weather events.
- Given their limited financial resources, they take the longest time to recover from severe weather events (if they ever do) as was seen in Vermont after Superstorm Irene.
- The "fuel poor" are also the most impacted by negative price shocks that are characteristic of a carbon based economy. Their limited incomes have no ability to absorb additional costs. In other words, fuel price volatility destabilizes low income families.

Thus, economically vulnerable Vermonters face an inordinate risk due to climate change and have the least financial resources to recover for them. Therefore, achieving the goal of 90 percent of the state's energy being produced by renewables by 2050 is in the best interests of low income Vermonters.

The other factor that greatly impacts the economically vulnerable is the cost of transportation. Given the rural nature of the state and lack of alternative transportation means, transportation costs are the second and sometimes the largest expenditure of Vermonters at or below 80 percent of the median income. According to the "Mapping Total

Energy Burden in Vermont” put out by the Vermont Energy Investment Corporation this past July, transportation accounts for 52 percent of energy spending in households.

The Center for Neighborhood Technologies has created an H (Housing) & T (Transportation) affordability index that is a measure of true affordability and location efficiency. Using this table, anyone can look at average housing and transportation within households in zip codes throughout the nation. You can find the table at <http://htaindex.cnt.org/map/>.

When you look at communities in Central Vermont using this tool, one finds that in at or below 80 percent of median income, total transportation costs account for 34 and 35 percent of household income in Bradford, Morrisville, Randolph, and Waitsfield. Indeed, in some communities, transportation costs nearly equal housing costs. In these communities, the combined housing and transportation costs range from 70 to 84 percent of household income. Note that HUD’s Location Affordability Index considers the combined costs above 50 percent to be unaffordable. My point here is we cannot have a comprehensive energy plan without taking a comprehensive look at transportation and the burden it puts on low income households.

Let me now turn to Senate Bill 51. This bill begs the question of how can we move forward to achieve our goals for a 90 percent renewable Vermont in 2050 and, at the same time, not impose a hardship on low income Vermonters.

- 1)** Any goals and policy must recognize that low-income Vermonters will need assistance transitioning to a cleaner energy future. To that end, I would strongly recommend that the Committee launch a study to develop progressive tax structures that reduce the burden on low income Vermonters and provide an incentive for all Vermonters to move toward a renewable future through conservation, efficiency and investment.

- 2) Given the burden of energy costs on low income Vermonters and to encourage efficiency, I believe it is essential that Vermont ensure that all non-owner occupied housing is rated by its fuel efficiency (Btu's per square foot) and that such building labeling be mandated so that renters and tenants will be fully informed and able to weigh the true cost of occupancy (rent and heating costs) in a dwelling.
- 3) Both the Pathways from Poverty Council and the Child Poverty Council have called for the funding of comprehensive study on transportation issues for elders, people with disabilities, and the low-income population to improve transportation resources for all Vermonters. This is essential given the financial and energy burden of transportation on the economically vulnerable. I encourage you to authorize and fund such a study. This study would include a thorough examination of the state's ability to bond for public transit and other improvements to reduce the transportation energy burden on this demographic.
- 4) Conservation is always the most effective strategy to reducing carbon emissions and costs. I am sure this Committee is well-aware that the State is far behind its target of weatherizing 20,000 low income homes by 2020. Currently only 900 of the 3000 homes needed annually to reach this goal are able to be weatherized. So I urge the Committee to continue, as you did last year, to fund and find ways to augment funding for the weatherizing low income households. It is still one of the best investments Vermont can make in terms of energy savings.
- 5) A plan is only as good as its implementation. Progress must be measured and reflected on in a cycle of continuous improvement. To that end and to make the 90 in 50 goal visible to not just the legislature and the administration, but to all Vermonters, I urge that that any legislation require that an annual scorecard be created and released on Earth Day each year to showcase our state's progress, or lack thereof, to achieving the 90 in 50 goal.
- 6) As you know and I have mentioned earlier, Vermont has become a national leader in electric energy efficiency through the creation of the first-in-the-nation electric efficiency utility. It is now time for Vermont is to lead the way in transportation efficiency efforts. To that end, Vermont could expand the comprehensive energy efficiency utility to take on transportation efficiency and energy burden.

In summary, a plan is only as good as the commitment to fulfill it. It needs to be a living, breathing document that drives fundamental change in our society and has the commitment of not simply the legislature or the administration but of Vermonters. If codifying the 90 by 50 goal in legislation raises awareness, holds stakeholders accountable through a dashboard, and authorizes important studies to develop new strategies to reduce the energy burden on economically vulnerable Vermonters, then Senate Bill 51 is something Capstone and I can support.

Ultimately, achieving the 90/50 goal will take investment by the State and behavior change in most Vermonters. Yet, the rewards would be great for our state's environment and our economy. The Climate Economy can and, with your leadership, will be a driver of job creation in our state. In addition, a sustainable, renewable economy will be a draw to the very young people we need to replenish and expand our workforce as my generation moves toward retirement. Thank you for the opportunity to address this crucial topic for the lives of our participants, their children and their children's children. I'd be happy to answer any questions.