Members of the House Natural Resources Committee:

Thank you for the opportunity to testify regarding changes to Act 250. You asked me for two "homework" assignments:

- 1. Review and provide feedback on Criterion 1, (avoid, minimize or mitigate GHGs) in terms of how this might affect the transport, storage and sales of fossil fuels; and
- 2. Provide some cost metrics on Energy Futures Group's net zero office building in Hinesburg.

## <u>Criteria 1</u>

Regarding GHG emissions, the standards you have set to "avoid, minimize or mitigate" make good sense to me and would not seem to be an unreasonable burden for future developments. Given that Act 250 should help guide development in a direction that is in alignment with Vermont's goals, asking applicants to follow these steps only seems prudent. Given that Act 250 is forward-looking and does not impact existing infrastructure, it should not have any impact on the transportation, storage and sales of existing fossil fuel facilities, and, if new facilities must be built, the "avoid, minimize, mitigate" would enable that – simply requiring them to reasonable mitigate the impact of that development.

Changing our ways from an economy based on fossil fuels to a one based on renewable energy sources is going to have its challenges. But the point is figure out a way forward while eventually eliminating most GHG-emitting fuels. Avoiding emissions in the first place (like we accomplished with Energy Futures Group's net zero energy building) is the best path. If that can't be accomplished, then GHGs should be minimized through maximum energy efficiency and smart fuel choices. If that is not possible then mitigation is still an option. There is no outright ban in these steps, but there is a path forward with a clear message that we need to prioritize avoidance.

We must remember that the delivered fuels industry was once a "coal and ice" delivery industry, and they evolved to one that delivers fuels and services in-home equipment. As I mentioned with regard to the Energy Coop of Vermont, fuel dealers will need to figure out how to evolve, adapt and survive in this changing world. Instead of selling fossil fuels, they need to evolve to deliver energy efficiency services, modern electric cold climate heat pumps, biomass products and other services that minimize GHGs.

The avoid, minimize or mitigate approach encourages the best option, but provides pathways forward with consideration for our changing and evolving climate realities. Act 250 should prioritize GHG reductions, and I think the approach that has been put forward is a reasonable approach.

## Energy Futures Group Office Building

For more detail than you need on our building, attached is a slide deck from a presentation on the building that the architect, builder, energy modeler and I presented at Efficiency Vermont's Better Buildings by Design Conference in 2018. Slides 73 and 74 show in tabular format and graphically our construction costs. Compared to building just to code (\$192/sq.ft.), we spent \$53,000 for our better energy systems that allowed us to get to net zero energy (\$212/sq.ft.). This has resulted in us saving about \$3200/year in energy costs. After our 15 year mortgage is paid off, we will only be paying the \$18/month GMP monthly electric meter fee.

I would be happy to answer any other questions. Thank you for the opportunity to speak to your Committee.

## Thanks, Richard

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