

VPIRG Testimony on FY20 budget to The House Committee on Appropriations
February 21, 2019

Good morning. My name is Ben Edgerly Walsh, and I run the climate and energy program for VPIRG. Thank you for the opportunity.

As an organization dedicated to cutting Vermont's carbon pollution, growing Vermont's economy, and ensuring that all Vermonters have the opportunity to be part of the transition to clean energy and efficiency, I want to outline our proposal for the climate package in the FY20 budget. I also want to note that we are joined in supporting this support by two dozen other organizations, including low-income, business, health, faith, and environmental organizations, some of whom you are also hearing from today.

While there are other worthy potential components of a climate package in the budget, in our view the three core components of such a package should be:

- \$5.5 million in additional funding for low and moderate income weatherization,
- \$4.5 million in funding for an electric vehicle incentive program, and
- Dedication of all of the funds remaining from the federal Volkswagen settlement to electrification.

Each of these proposals, or ones very similar to them, were also made by the Governor's Climate Action Commission.

Weatherization:

Weatherization creates jobs, saves Vermonters millions of dollars every year, makes homes healthier and more comfortable, and is a foundation of our state's comprehensive energy plan.

The governor's Climate Action Commission recommended doubling the Low Income Weatherization Program's \$9.5 million in annual funding. We support a similar goal – doubling the number of homes of Vermonters who are low or moderate income weatherized each year from 2,000 to 4,000.

By dedicating a portion of the increased funding to moderate income Vermonters, these dollars can be stretched further. Doing so will also fill a gap in weatherization services, as Vermonters between 80% and 120% of median income are ineligible for the Low Income Weatherization Program, and are unlikely to be able to weatherize their homes with the other modest incentives currently available.

Our coalition's best estimate of the additional, annual funding needed to accomplish this goal is roughly \$11 million. We recognize that as we are proposing an ongoing expense, that should ideally come with dedicated annual revenue as well, and we are separately making that request to Ways and Means.

In FY20, we request that you allocate \$5.5 million to programs providing weatherization services to Vermont households that are low and moderate income, in the breakdown provided in my written testimony:

- No less than 35 percent to the low income Home Weatherization Assistance Program.
- No less than 40 percent to programs for 60-120 percent of HUD area median income.

- No less than 5 percent to affordable multi-family housing development assisted through 3E Thermal.
- Up to 10 percent for existing market-rate thermal conservation measures
- Up to 10 percent for workforce development and marketing for people up to 120 percent of area median income.

Electric Vehicles:

Over the past nine months, the Attorney General has announced settlements with Volkswagen, Fiat Chrysler, and Bosch related to auto emissions, totaling \$4.5 million. In addition, Vermont has received \$18.7 Million from the federal Volkswagen settlement.

With these settlements stemming from deceptive practices and pollution in the transportation sector, we ask that you put this money to work advancing electric vehicles, undoing some of the damage done by these scandals and helping provide a path to clean transportation in our state.

Specifically, we ask that you:

- Allocate \$4.5 million (matching the \$4.5 million received in these settlements) in FY20 for the creation of one or more incentive programs managed by the Clean Energy Development Fund for electric vehicles. We also request that you direct the CEDF to work with the Community Action Agencies to use up to one third of the total funds for a pilot program serving the lowest income Vermonters that would include not just EVs, but used hybrid vehicles as well.
- Dedicate all dollars available to Vermont under Appendix D of the federal Volkswagen settlement to electrification.

Thank you in advance for your consideration of these requests.