



House Energy & Technology Committee
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An Analysis of Decarbonization Methods in Vermont

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Report
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CONTEXT: Who, What, Why?

- VT is not meeting its statutory climate commitments. Are there strategies we can take to put us back on track? What are those strategies implications for the economy, for Vermont households and for the environment?
- Recommendation of Gov. Scott's Climate Action Commission
- Authorized on a bipartisan basis through Act 11
- Overseen by the Legislative Joint Fiscal Office
- Conducted by Resources for the Future
- RFF provides data & analysis of carbon pricing (WCI, TCI, ESSEX) and nonpricing initiatives (incentives and increased appropriations)
- RFF does not offer policy recommendations

ECONOMY

- The economic impacts of carbon pricing are expected to be very small (-0.02% to +0.05% or -\$6 million to +\$16 million in 2015\$).
 - Of the carbon pricing proposals under consideration, the ESSEX Plan is forecast to have the largest positive impact on the Vermont economy.
- When the environmental and health benefits are considered, carbon pricing benefits would exceed costs of every policy modeled
 - Health benefits range from \$7.1 million to \$19.7 million in 2025.

EQUITY

- Using carbon pricing revenue for rebates would make the average low-income households better off than they would be without carbon pricing.
 - Of the carbon pricing proposals under consideration, the ESSEX Plan is the most progressive with the bottom 60% of Vermont households forecast to enjoy a net gain.

ENVIRONMENT

- VT will not meet any of its GHG commitments with current policies.
- Carbon pricing can play an integral role in reducing carbon emissions, but on its own it won't be enough to meet Vermont's goal.
 - Of the carbon pricing proposals under consideration, the ESSEX Plan is forecast to reduce the most climate pollution.
- By combining carbon pricing and nonpricing policies emissions could be reduced enough to meet our US Climate Alliance target.
 - The economic and equity dimensions of those nonpricing policies were not considered in this report.

TOP TAKE AWAYS

- With the policies we have in place, Vermont will not meet its statutory, bipartisan commitments. A new approach is needed.
- The Trump administration's energy and environmental policies are going to make the climate crisis worse. If states want to meet the goals they have set, they will have to do so on their own.
- There are ways Vermont can meet its bipartisan climate commitments even without help from the federal government. Through a combination of carbon pricing and investments in clean energy, VT can meet the commitment Gov. Scott made by joining the US Climate Alliance.