

1 Introduced by Senator Ashe

2 Referred to Committee on

3 Date:

4 Subject: Transportation; Transportation and Climate Initiative

5 Statement of purpose of bill as introduced: This bill proposes to require that

6 Vermont join the Transportation and Climate Initiative of the Northeast and

7 Mid-Atlantic States.

8 An act relating to Vermont joining the Transportation and Climate Initiative

9 It is hereby enacted by the General Assembly of the State of Vermont:

10 Sec. 1. FINDINGS

11 The General Assembly finds that:

12 (1) Climate change, caused by human-made emissions of greenhouse
13 gases such as carbon dioxide, poses serious risks to Vermont’s environment,
14 economy, and way of life.

15 (2) Approximately 40 percent of the carbon emissions in Vermont are
16 caused by the transportation sector. As a result, any effort to reduce carbon
17 emissions in Vermont and to address climate change must include this sector.

18 (3) Twelve Northeastern and Mid-Atlantic states, including Vermont
19 and the District of Columbia, have worked together to establish the

1 Transportation and Climate Initiative of the Northeast and Mid-Atlantic States
2 (TCI).

3 (4) TCI, modeled on the successful Regional Greenhouse Gas Initiative
4 (RGGI), will create a regional cap and invest program to reduce carbon
5 emissions from the transportation sector in a cost-effective and market-based
6 manner.

7 (5) This act will authorize:

8 (A) the Governor to enter into TCI upon a determination that two
9 adjacent states have entered the agreement and that if Vermont does not enter
10 the agreement, the State shall not receive revenue from TCI but will be
11 impacted by compliance costs, if any; and

12 (B) State agencies to adopt rules to implement the program.

13 (6) Although the TCI cap and invest program may not be operational
14 until 2022, it is important that Vermont enact legislation to join TCI now in
15 order to emphasize our State's commitment to addressing climate change and
16 to allow the Agency of Natural Resources, the Agency of Transportation, the
17 Department of Public Service, other State agencies and departments, and other
18 stakeholders to begin the complex planning process necessary for the
19 implementation of TCI.

20 Sec. 2. 30 V.S.A. § 256 is added to read:

21 § 256. TRANSPORTATION AND CLIMATE INITIATIVE

1 (a) Transportation and Climate Initiative. Vermont shall join and
2 participate in the Transportation and Climate Initiative of the Northeast and
3 Mid-Atlantic States (TCI), including any cap and invest program.

4 (b) Special Fund. Net revenues above costs from the sale of credits under
5 the TCI cap and invest program shall be deposited into the Transportation and
6 Climate Initiative Special Fund established pursuant to section 257 of this title.
7 Monies in the Fund shall be invested in programs and activities that:

8 (1) reduce the use of fossil fuels in the transportation sector;

9 (2) reduce the emission of greenhouse gases, as defined in 10 V.S.A.
10 § 552, in the transportation sector; and

11 (3) save Vermonters money.

12 (c) Rules. The Agency of Natural Resources (ANR), the Agency of
13 Transportation (AOT), the Department of Public Service (DPS), and other
14 State agencies and departments shall adopt rules as necessary to implement this
15 section.

16 (d) Reports. On or before January 15 of each year, commencing in 2022,
17 ANR, AOT, and DPS shall submit a report to the House Committees on
18 Energy and Technology, on Transportation, and on Ways and Means; to the
19 Senate Committees on Finance, on Natural Resources and Energy, and on
20 Transportation; and to the Joint Carbon Emissions Reduction Committee
21 detailing the implementation and operation of TCI, the revenues collected, the

1 expenditures made, and recommendations concerning the allocation of funds.

2 The Agency of Natural Resources shall account for and report concerning the

3 Transportation and Climate Initiative Special Fund pursuant to 32 V.S.A.

4 § 588(6).

5 Sec. 3. 30 V.S.A. § 257 is added to read:

6 § 257. TRANSPORTATION AND CLIMATE INITIATIVE SPECIAL

7 FUND

8 (a) There is established the Transportation and Climate Initiative Special

9 Fund that shall be managed in accordance with 32 V.S.A. chapter 7,

10 subchapter 5. The Fund shall be administered by the Agency of

11 Transportation.

12 (b) Net revenues above costs from the sale of credits under the

13 Transportation and Climate Initiative cap and invest program established

14 pursuant to section 256 of this title shall be deposited into the Fund.

15 (c) Balances in the Fund shall only be used to support the programs and

16 activities authorized pursuant to section 256 of this title and shall not be

17 available to meet the general obligations of the State. Monies in the Fund shall

18 be carried forward and remain in the Fund at the end of each fiscal year.

19 Notwithstanding 32 V.S.A. § 588, interest earned shall remain in the Fund.

20 Necessary costs incurred for administration of the Fund may be withheld and

21 credited to the General Fund.

1 Sec. 4. RULES REQUIRED PURSUANT TO 30 V.S.A. § 256

2 (a) Pursuant to 30 V.S.A. § 256, the Agency of Natural Resources (ANR),
3 the Agency of Transportation (AOT), the Department of Public Service (DPS),
4 and other State agencies and departments shall adopt rules as necessary for
5 Vermont to join and participate in the Transportation and Climate Initiative of
6 the Northeast and Mid-Atlantic States (TCI), including a cap and invest
7 program.

8 (b) ANR, DOT, and DPS shall consult with other State agencies and
9 departments, the Public Utility Commission, electric distribution utilities,
10 efficiency utilities, stakeholders, members of the public, and relevant or
11 interested persons in developing the rules.

12 (c) The rules shall:

13 (1) be the same as, or substantially similar to, any TCI model rules,
14 regulations, and guidance;

15 (2) ensure that funds Vermont receives from TCI shall be invested in
16 programs and initiatives that reduce the use of fossil fuels in the transportation
17 sector, reduce the emission of greenhouse gases from the transportation sector,
18 and save Vermonters money, including programs and initiatives that:

19 (A) support the electrification of transportation, including:

20 (i) incentivizing and promoting the purchase of plug-in electric
21 vehicles as defined in 23 V.S.A. § 4(85);

1 (ii) providing support and assistance to State, local, and municipal
2 governments to purchase plug-in electric vehicles as defined in 23 V.S.A.
3 § 4(85);

4 (iii) supporting the construction and maintenance of electric
5 vehicle supply equipment as defined in 30 V.S.A. § 201(2) throughout the
6 State; and

7 (iv) supporting the electrification of mass transit including
8 incentivizing and promoting the purchase, lease, and use of hybrid, plug-in
9 hybrid, and electric mass transit vehicles; and

10 (B) support and expand new and existing:

11 (i) efficiency programs in the transportation sector; and

12 (ii) programs and services provided pursuant to 30 V.S.A.
13 § 8005(a)(3) that support the electrification of transportation; and

14 (3) seek to minimize costs to Vermonters with low and moderate
15 incomes and ensure that all Vermonters can participate in, and benefit from,
16 the programs and initiatives funded by TCI.

17 (d) ANR, DOT, DPS, and any other State agency or department involved in
18 the drafting of proposed rules pursuant to 30 V.S.A. § 256 shall, commencing
19 on July 1, 2020, provide updates concerning the development and drafting of
20 the rules and any relevant issues every third month to:

1 (1) the House Committees on Energy and Technology, on
2 Transportation, and on Ways and Means and to the Senate Committees on
3 Finance, on Natural Resources and Energy, and on Transportation, when the
4 General Assembly is in session; and

5 (2) the Joint Carbon Emissions Reduction Committee when the General
6 Assembly is not in session.

7 (e) Any proposed rules required pursuant to 30 V.S.A. § 256 and
8 subsection (a) of this section shall be:

9 (1) submitted to the House Committees on Energy and Technology, on
10 Transportation, and on Ways and Means; to the Senate Committees on
11 Finance, on Natural Resources and Energy, and on Transportation; and to the
12 Joint Carbon Emissions Reduction Committee not less than 40 business days
13 prior to submitting the proposed rule or rules to the Interagency Committee on
14 Administrative Rules (ICAR); and

15 (2) filed with ICAR on or before July 1, 2021.

16 Sec. 5. EFFECTIVE DATE

17 This act shall take effect on July 1, 2020.