

Testimony on FY20 Budget to the Senate Committee on Appropriations

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Good afternoon. My name is Johanna Miller. I am the energy and climate program director at the Vermont Natural Resources Council. Thank you for the opportunity to speak with you today.

With the support of our members across the state, and in close collaboration with diverse partners, VNRC works to protect the foundation upon which our state's economy thrives – a clean and healthy environment. Climate change has become one of the most pressing issues we face as a state, nation and world. And it's through this lens that we respectfully ask you to do all you can – as you wrestle with many important priorities in the FY20 budget – to focus the state's attention and resources on this urgent issue.

I wanted to start first by saying thank you for the commitment to climate action that manifested in last year's budget. It is my hope that we can build on that investment – and do even more.

The science couldn't be more clear when it comes to climate change – we need to swiftly and drastically reduce people's reliance on fossil fuels. The latest science says we have until 2030 to cut our global fossil fuel consumption in half or risk facing a radically different world. Sobering. In a state that imports 100 percent of the fossil fuels we use, however, it isn't just about climate action. Reducing our reliance on imported fuels is also an incredible economic development and job creating opportunity.

I have two primary asks related to the FY20 budget that I hope you will consider and support.

As one of the 21 members Governor Phil Scott appointed to his Climate Action Commission, I wanted to underscore that the requests I am making were also strong recommendations of the Governor's commission. They include making greater investments in solutions that reduce fossil fuel use in our two largest greenhouse gas intensive sectors – heating and transportation. Having just heard others before me speak along similar lines, I will aim to be concise.

ELECTRIC VEHICLES

Specifically, I respectfully urge the committee to appropriate \$4.5 million dollars to establish an electric vehicle or hybrid vehicle incentive program to help more Vermonters – especially low income Vermonters – avail themselves of more clean, affordable transportation. As you know, \$4.5 million dollars came into state coffers from two successful consumer settlements, whereby fraudulent auto manufacturers scammed their customers and polluted our air. The full \$4.5 million would help to mitigate the damage done and serve as a strong foundation upon which to create an incentive program that Vermonters – especially low income earners – can tap to invest in more efficient, clean vehicles.

I also wanted to highlight the support of the Gov's Climate Action Commission for this kind of commitment. And to share with you a letter that we sent as a Commission to the Governor and

several of you back last June, when we learned about the first successful consumer protection settlement.

By consensus, the Commission agreed to send a letter urging for the full \$3.6 million from that first settlement go to create a customer incentive program. Considering how drastically our GHGs have risen – particularly from the transportation sector – and how quickly we need to ramp up many different transportation efficiency solutions – including EVs – a significant investment like this would take a strong step forward.

WEATHERIZATION:

To tackle another GHG-intensive, job creating sector – Weatherization – I also respectfully urge the committee to appropriate an additional \$5.5 million in funding to support low and moderate income weatherization.

Helping Vermonters – especially the most vulnerable – stop wasting energy has many benefits. It's a powerful climate action strategy, yes, but it is also a comfort, job-creation and public health strategy as well.

Again: Drastically increasing the state's commitment to low and moderate income weatherization was a core recommendation of the Governor's Climate Action Commission.

There is far more opportunity and need in this arena. And to do far more, we must invest far more. In the FY20 budget, we request that you allocate \$5.5 million to programs providing weatherization services to Vermont low and moderate income households. This amount is commensurate with the amount of funding that the House passed in H.439. Though we are not committed to that particular funding source, it is very important to ensure that we are ramping up our investments in weatherization and climate solutions not redirecting existing revenue from other important energy-saving programs and services.

I just wanted to wrap by saying thank you for the hard work that you do. I have no doubt that it is challenging to find ways to balance multiple important goals, staying within a budget, and not raising the cost of living beyond what Vermonters can pay. I do, however, strongly believe that making more investments in tackling climate change can achieve multiple benefits – putting people to work in the 21st century energy economy, improving public health, fostering energy independence and helping to forestall costs that we will pay in loss of quality of life and more.

Thank you in advance for your careful consideration of my recommendations.

June 18, 2018

Dear Honorable Governor Philip B. Scott,

At our recent meeting, the Climate Action Commission heard the good news that Vermont has secured an additional \$6.5 million in a new state settlement with Volkswagen and its subsidiaries; another effort to make consumers whole from the company's deceptive advertising of "clean diesel" vehicles.

We very much appreciate the leadership of Attorney General TJ Donovan and his team in securing this settlement.

It is our understanding that \$2.9 million of those dollars are destined to go back to VW customers. We also understand that the remaining \$3.6 million will be directed to the General Fund, likely to arrive in the next fiscal year.

With its full consensus, the Vermont Climate Action Commission strongly recommends the State of Vermont direct those dollars to reducing emissions in our most GHG-intensive sector—transportation. We believe that these funds should be used to build an electric vehicle point-of-sale customer incentive for new and used cars. We believe this is appropriate given that Vermonters were misled into purchasing vehicles they thought were cleaner and better for the environment.

While the Commission works to finalize its recommendations for the end of July, the transportation workgroup has clearly identified the need for a state-funded or state-facilitated EV purchase incentive to help customers make the investment and jumpstart this still-nascent market. Research and experience shows that high upfront purchase prices are one of the main barriers to wide-scale adoption of electric vehicles, and point-of-sale incentives are a proven mechanism to overcome this barrier and stimulate the marketplace.

On behalf of the Vermont Climate Action Commission, thank you in advance for your consideration of this request.

Sincerely,



Peter Walke
Deputy Secretary
Vermont Agency of Natural Resources
Chair, Vermont Climate Action Commission



Paul Costello
Executive Director
Vermont Council on Rural Development
Co-Chair, Vermont Climate Action Commission

Cc:

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