

Dear Senator Kitchel and Representative Hooper,

We write today as co-chairs of the Clean Energy Development Fund Board (CED Board), which oversees the Clean Energy Development Fund (CEDF) administered by the Department of Public Service (PSD).

As you deliberate on the FY 2022 budget adjustment, we would like to share the Clean Energy Development Board's (CED Board's) thinking regarding an emerging Administration proposal related to the allocation of ARPA funds for clean energy programs.

At the CED Board's December 10, 2021 meeting, the Board discussed with the Public Service Department (PSD) the \$10 million (\$10M) Affordable Community-Scale Renewable Energy Program created by Vermont General Assembly Act 74 in the 2021 legislative session. The Act appropriates \$10M to the PSD for a program that would "support the creation of renewable energy projects for Vermonters with low-income" that would be developed "consistent with the parameters of the Clean Energy Development Fund". The Administration plans to use these funds for a community solar program designed to reduce the electricity bills of participating Vermonters with low-income.

Coming out of that discussion with the PSD, we understand that the Administration may seek to swap-out the \$10M of ARPA funds for \$10M of State funds to develop and implement this community solar program because ARPA guidelines may not allow ARPA funds to be used for this program.

If the Legislature adopts the Administration's proposal, we urge you to appropriate the \$10M of ARPA funds to the PSD to be allocated by the CED Board for purposes consistent with the parameters of the CEDF. This will enable the CEDF and PSD to build upon and increase the large benefits produced by CEDF programs that have been shown to cost-effectively grow jobs and build Vermont's clean energy economy, while also helping to achieve energy cost savings for Vermonters. CEDF renewable energy programs have consistently delivered large benefits with limited resources for the environment, the State economy, and for the small commercial and residential energy users it serves.

In Act 74 the legislature appropriated \$5M to the PSD with the condition that it "may be allocated by the Clean Energy Development Board". Accordingly, the CED Board has been working with the PSD, and others, to design ARPA compliant programs for this \$5M. Five program initiatives have resulted:

- Home heating incentives for low- and moderate-income households to be delivered using the existing Small-scale Renewable Energy Incentive Program (\$1M)
- A grant to an entity (chosen via an RFP) that will provide comprehensive whole-home clean energy assistance for low- and moderate-income households. (\$1M)
- A small pilot program that supports the financing of clean heating systems for low- and moderate-income households. (\$250K)

- A grant solicitation that would aid impacted hospitality businesses (focused on small and rural businesses) for HVAC system replacement and repairs. (\$250K)
- Clean heating grants to high-poverty school districts to advance equitable funding across districts and geographies, for repair of existing wood heating systems and replacement of broken/unrepairable heating systems. (\$2.5M)

We would welcome and appreciate the opportunity to work collaboratively with the Department of Public Service and others to advance a program that will put the \$10M of ARPA funds to work promptly, efficiently, and effectively for clean energy programs that are consistent with the Climate Action Plan, including for cost-effective and equitable emissions reduction serving lower-income Vermonters.

Respectfully,

Jared Duval  
Co-Chair

Sam Swanson  
Co-Chair

CC:

Senate President Pro Tem Becca Balint

Speaker Jill Krowinski

Senator Chris Bray (Chair, Senate Natural Resources and Energy)

Representative Tim Briglin (Chair, House Energy and Technology)

Commissioner June Tierney (Department of Public Service)

TJ Poor, Director of Planning (Department of Public Service)