

PHILIP B. SCOTT
Governor



State of Vermont
OFFICE OF THE GOVERNOR

May 6, 2022

The Honorable Betsy Ann Wrask
Clerk of the Vermont House of Representatives
115 State Street
Montpelier, VT 05633

Dear Ms. Wrask:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning H.715, *An act relating to the Clean Heat Standard*, without my signature because of my objections described herein:

As Governor and as elected officials, we have an obligation to ensure Vermonters know the financial costs and impacts of this policy on their lives and the State's economy. Signing this bill would go against this obligation because the costs and impacts are unknown. The Legislature's own Joint Fiscal Office acknowledges this fact, saying:

"It is too soon to estimate the impact on Vermont's economy, households, and businesses. The way in which the Clean Heat Standard is implemented, including the way in which clean heat credits are priced and how incentives or subsidies are offered to households and businesses, must be established before meaningful analysis is possible. At the same time, those incentives or subsidies could be costly for the State, suggesting larger fiscal impacts in future years."

I understand the importance of reducing greenhouse gas emissions, which is why I proposed a \$216 million dollar climate package and why my administration has engaged in this policy conversation since January. However, over the last several months it became very clear to me that no one had a good handle on what this program was going to look like, with some even describing it as a carbon tax on the floor.

I have clearly, repeatedly, and respectfully asked the Legislature to include language that would require the policy *and* costs to come back to the General Assembly in bill form so it could be transparently debated with all the details before any potential burden is imposed. This is how lawmaking and governing is supposed to work and what Vermonters expect, deserve and have a right to receive.

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What the Legislature has passed is a bill that includes some policy, with absolutely no details on costs and impacts, and a lot of authority and policy making delegated to the Public Utility Commission (PUC), an unelected board. And regardless of the latest talking points, the bill does not guarantee a full legislative deliberation on the policy, plan and fiscal implications prior to implementation. By design, this bill and the inadequate "check back" allows legislators to sign off on a policy concept – absent important details – and not own the decision to raise costs on Vermonters.

For these reasons I cannot allow this bill to go into law and strongly urge the Legislature to sustain this veto.

Sincerely,



Philip B. Scott
Governor

PBS/kp