

Testimony of Anthony Iarrapino on behalf of Conservation Law Foundation
Vermont House of Representative Committee on Energy and the Environment
April 6, 2023

Founded in 1966, CLF is a nonprofit, member-supported organization working to create solutions that preserve our natural resources, protect public health, and promote thriving communities for the benefit of all people living in New England.

We have advocated for adoption and ongoing implementation of enforceable greenhouse gas reduction requirements across New England. There are now such requirements in Maine, Vermont, Massachusetts, Rhode Island, and Connecticut, including requirements similar to Vermont’s Global Warming Solutions Act, a Vermont law CLF also strongly supported.

I am here today to urge that Vermont lawmakers take another meaningful step on the path toward lowering our greenhouse gas pollution by passing the Affordable Heat Act (S.5).

The good news/bad news summary of the latest report from the Intergovernmental Panel on Climate Change (IPCC): There is still time to save ourselves, but there is much less time than we thought.¹ This is a call to action that we cannot afford to ignore.

In its most recent report, the IPCC indicates that humans—particularly those living in wealthier, high-polluting nations like the U.S.—only have until the mid-2030s to slash greenhouse gas pollution dramatically before it turns up the heat to levels that will unleash climate changes human society cannot withstand. Think more floods, more droughts, more water pollution and cyanobacteria blooms in Lake Champlain, more ice storms, more inconsistent winters that squeeze our snow tourism economy, more crop failures, more fires, and more infectious and tick-borne diseases.

Moreover, Vermont’s Global Warming Solutions Act expressly realizes that “a failure to substantially reduce emissions over the next ten years will . . . increase the costs of decarbonization” and “risks significant economic damage to Vermont.”²

It is true that Vermont, acting alone, cannot solve the climate crisis. But it is also true that our society will not succeed in this existential effort if states like Vermont do not do our fair share by following through on the legal and moral obligations in the Global Warnings Solutions Act.

¹ See generally Intergovernmental Panel on Climate Change AR6 Synthesis Report (2023), “Headline Statements” available at <https://www.ipcc.ch/report/ar6/syr/resources/spm-headline-statements>

² Vermont Laws, Act No. 153, Sec’s. 2(3).

Passing the Affordable Heat Act is one critical step in the right direction of meeting our Solutions Act reduction requirements by 2030 and beyond.

The Affordable Heat Act is Responsive to and has Undergone Adequate Public Process.

Some who have testified in this Committee on this Act—notably the Department of Public Service and the Agency of Natural Resources (ANR)—have urged you to hold off on S.5 to allow for more public process when it comes to adoption of a Clean Heat Standard. This suggestion ignores the extent to which Vermont’s legislative process fosters robust public engagement and awareness—especially now that your committee hearings are all livestreamed and recorded, your bills, agendas, and witness documents are all accessible online, and the statehouse halls are once again open to the public. Members of the public, including the next generation of young Vermonters who have the most at stake in the climate crisis, have come repeatedly to the statehouse to ask you to move forward with the much-improved Affordable Heat Act. Those suggesting delay also ignore the extent to which the adoption of a Clean Heat Standard was studied and discussed in the Vermont Climate Council process and in a 2-year roundtable process convened by Vermont Energy Action Network.

While the need for climate action becomes more urgent with each passing day, the Affordable Heat Act reflects a thoughtful and measured approach to accelerating and codifying the ongoing transition toward cleaner, more price-stable heating measures for our homes and businesses. The bill includes a significant phase-in period, with an anticipated implementation date no earlier than 2026—following a subsequent legislative review and approval process. In the interim, the Department of Public Service, ANR, and the Public Utility Commission’s (PUC) Technical Advisory Group will all generate more information to help stakeholders plan for a cleaner-heat future. Immediate passage of the Affordable Heat Act will send an important signal to the marketplace, encouraging more Vermonters to join the climate-friendly workforce of the future and allowing time to train those workers to hit the ground running in 2026.

The public and legislative process around adoption of a Clean Heat Standard has also been responsive to serious concerns about last year’s bill that CLF and others raised previously. Important improvements reflected in the Affordable Heat Act deal with:

- Limiting and phasing down the use of biofuels that would not truly reduce greenhouse gas emissions and other environmental and public health harms;
- Expressly promoting the most effective pollution-reducing strategies—weatherization and electrification—and ensuring that a meaningful percentage of those clean heat measures are delivered to low- and moderate-income Vermont households;
- Strengthening greenhouse gas accounting to make sure we are accurately tracking progress toward the pollution reduction requirements of the Global Warming Solutions Act.

The Act Reduces Reliance on and Accurately Accounts for Pollution from Biofuels.

Incentivizing a switch away from fossil fuels will only result in progress toward our pollution reduction obligations if the heat sources we switch to are truly less polluting. Burning biofuels will not help us slow climate change in the long run.³ For this reason, CLF strongly supports provisions in the Affordable Heat Act that will, over time, weed out all but the very cleanest biofuels (for example those made from methane that would otherwise have been released unmitigated into the atmosphere). The new bill's declining cap on the carbon intensity of biofuels eligible for clean heat credits is a central reason why CLF is now able to support the Affordable Heat Act.

Relatedly, the Affordable Heat Act has added strong lifecycle greenhouse gas accounting guardrails to prevent further harms that would be caused by an increased reliance on biofuels. To get a true sense of whether switching from a fossil fuel to a biofuel results in progress toward our pollution reduction obligations requires us to look comprehensively at the greenhouse gas impact of a biofuel throughout its whole lifecycle, not just when it is burned in a furnace. The Affordable Heat Act requires accounting of the pollution that also comes from converting forest to monocrop agriculture for biofuel production, from refining raw commodities into fuel, from blending those biofuels with fossil fuels, and from delivering certain biofuels through leaky pipeline infrastructure.

The Act Promotes Affordable, Fossil-fuel Free Options for Low-and Moderate-Income Households.

The Affordable Heat Act has also addressed another of CLF's previous concerns with last year's bill by: (i) expressly naming a broad host of beneficial electrification and weatherization measures that will be eligible as clean heat measures; and (ii) creating a new requirement that at least 32% of all clean heat measures delivered annually go to low- and moderate-income households, with half of those measures being installed measures such as weatherization, cold-climate or ground source heat pumps, or highly efficient advanced wood heat measures.

Vermonters with more financial means are not the only ones who want to be able to keep their families warm without contributing to the cataclysmic warming of the planet. The bill's emphasis on delivering clean heat measures to low-and moderate-income households is critical to ensuring a more equitable transition away from high-cost, price-volatile fuels like oil and propane.

S.5, as currently drafted,⁴ also includes an important relief valve that authorizes the PUC to temporarily adjust the number of annual credits obligated parties must obtain when doing so

³ For more information, see https://www.clf.org/blog/the-truth-about-biofuels/?utm_source=rss&utm_medium=rss&utm_campaign=the-truth-about-biofuels.

⁴ S.5, Section 3, adding 30 V.S.A. § 8124(a)(4).

would mitigate unduly adverse financial impacts on low-income Vermonters and small businesses, if any should occur. The Affordable Heat Act thus provides important flexibility and sensitivity when it comes to smoothing out the up-front transition costs that may accompany the move away from climate-polluting fossil fuels, while keeping us on track to achieving the reductions required both by Vermont laws and by the inflexible laws of climate science.

Thankfully, the long-overdue federal action on climate solutions contained in the federal Inflation Reduction Act provide significant rebates, incentives, credits, and deductions to help lower the up-front cost of installing clean heat alternatives. According to an analysis by Rewiring America, new federal programs “include \$4.5 billion in direct rebates for low- and moderate-income households that install new, efficient electric appliances....For instance, a low income household will receive a rebate covering the full cost of a heat pump installation for space heating, up to a cap of \$8,000. This household could receive up to \$1,750 for a heat pump water heater, up to \$4,000 for an upgraded breaker box, \$2,500 for upgraded electrical wiring, and \$1,600 for insulation, ventilation and sealing. For moderate income households, the same rebates are available to cover 50 percent of the costs.” For all households, regardless of income, new federal funding also includes tax credits covering up to 30% of cost upgrades related to home weatherization, heat pumps and other efficiency measures.⁵ The Affordable Heat Act’s requirement for a minimum amount of clean heat measures to benefit low- and moderate-income households will leverage those incentives further.

Of course, federal funding is finite and much of the transitional activities currently supported by such funding—especially in the weatherization sector—will taper off as that funding runs out. This funding cliff sends a troubling signal to those choosing careers in weatherization or electrification. Passing the Affordable Heat Act will maximize the value of that federal funding in the near term while encouraging the growth and stabilization of the modern workforce we need to reduce pollution with clean heat measures that keep more of our heating dollars in Vermont rather than padding the record profits of fossil fuel companies.

While the path toward a more stable climate is long and steep, passage of the Vermont Affordable Heat Act will keep us moving onward and upward. On behalf of the Conservation Law Foundation, I respectfully ask that you please pass a strong Affordable Heat Act so that we can increase Vermonters’ options for and access to cleaner and more affordable heating options without further delay.

[END OF TESTIMONY]

⁵ Rewiring America “The Electric Explainer: The Inflation Reduction Act” (July 28, 2022) at https://content.rewiringamerica.org/reports/RA_TheElectricExplainer_IRA.pdf