



AGENCY OF NATURAL RESOURCES

TESTIMONY ON FY₂₄ GOVERNOR'S RECOMMEND

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Climate Action Budget Initiatives

Review FY23, briefly

Overview – FY24 Governor's Recommend

- Climate Office “true up”
- FY24 Proposed Climate Initiatives
 - Technical Analyses, Tools and Training
 - Clean Heat Homes
 - Refrigerant Management
- Federal Funding
- Civil Right and Environmental Justice Unit

FY23 Climate Investments, in brief

- FY23 budget invested more than \$200 million of one-time monies in climate-related initiatives
 - Nearly \$160 million of ARPA
 - \$40 million in general fund
- Work actively underway includes:

• Expanded weatherization	\$80,000,000
• Installation of EV charging infrastructure	\$12,000,000
• Providing EV purchase incentives	\$20,000,000
• Electrical System Upgrades/Advanced Metering	\$27,000,000
• Supporting municipal energy resilience	\$45,000,000
• Mitigating flood hazards	\$15,000,000
• Investing in natural and working lands	\$5,760,000

Base Budget: Climate Office “true up”

- Climate Action Office (CAO) was created with the FY23 budget
 - Eight positions in total
 - Climate Office Director
 - Climate Change Mitigation Manager
 - Climate Change Policy and Modeling Coordinator
 - Resilience and Adaptation Coordinator
 - Natural and Working Lands Coordinator
 - Climate Data Analyst
 - Community Engagement and Communications Coordinator
 - Grants and Contracts Manager
 - To date, four positions have been filled and three are currently under recruitment
- FY24 budget adjusts base funding to meet actual staff salaries

One-Time Appropriations: Climate Office

Technical Analyses, Tools and Training: \$900,000

- On-going evaluation, development, implementation support and tracking the impact of programs and policy approaches to reduce GHG emissions and improve landscape-level resilience consistent with the Global Warming Solutions Act

- Thermal Sector Program \$400,000
- Measuring and Assessing Progress (MAP) Tool, Phase 2 \$250,000
- Municipal Vulnerability Index roll-out \$150,000
- Cost Abatement Curve for Resilience/Adaptation \$100,000

One-Time Appropriations: Climate Office

Clean Heat Homes:

\$5,000,000 (PSD)

- A “single-point program” to help Vermonters with whole home climate improvements, supported by on-bill financing
 - Weatherization
 - Clean heat systems
 - Electrification-ready upgrades
- Administered by VEIC, in partnership with VHFA and VGS
- Focused on low- and moderate-income Vermonters
 - Complements the existing Home Weatherization Assistance Program (HWAP)
 - Focused on underserved households who are not HWAP eligible but earn less than 120% of Area Median Income
- Expands \$8.5 million Congressionally-Directed Spending award secured by Senator Leahy

One-Time Appropriations: Climate Office

Refrigerant Management:

\$700,000

- Expands VEIC program to help stores phase-out use of refrigerants with high global warming potential (GWP)
 - Funding will support work with ~75 stores in FY 2024
 - Focus on General Stores and small convenience store
- Will provide direct technical and financial assistance to store owners
- Leverages \$350,000 of funding thru VEIC
- Anticipated to support
 - 30 permanent leak detection systems
 - 30 low GWP condensing units
 - 30 low GWP packaged walk-in units

Environmental Justice Budget Initiative

- FY24 Governor's Recommend includes:
 - ANR
 - \$300,000 in one-time GF to provide one year of additional support for the three staff positions at ANR
 - Office of Racial Equity
 - \$700,000 in base GF to the Office of Racial Equity to provide whole-of-government services around language access
 - \$2.3 million in one-time GF to the Office of Racial Equity to support "catch up" in the translation of vital documents statewide
- General Assembly's plan for fully funding on-going costs of EJ work required by Act 154 is unclear
 - On-going staff costs
 - Completing/maintaining mapping tool
 - Advisory Council support/facilitation
 - Community engagement stipends