

# House Environment and Energy Introduction

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10 January 2023

# Bills Passed Last Session

- Act 121- (H.523)- Reducing HFC emissions\*
- Act 154 (S.148)- Environmental Justice
- Act 155 (S.161)- Extending the Baseload Renewable Power Portfolio Requirement (Ryegate)
- Act 164 (S.269)- Extending the Energy Savings Account Partnership Pilot Program
- Act 182 (S.226) Access to Safe and Affordable Housing\*

# Bills Passed Last Session

- **Act 121- (H.523)- Reducing HFC emissions\***
- This act amends the existing statute that regulates the phase down of hydrofluorocarbons (HFCs), which creates deadlines by which new products containing banned HFCs are prohibited from being sold in Vermont. This bill adds two new prohibitions to it. First, beginning on July 1, 2022, ice skating rink refrigeration systems cannot use banned HFCs. Next, beginning on January 1, 2023, containers designed for consumer recharge of motor vehicle air conditioners that use substitutes prohibited under 10 V.S.A. § 586 may not be sold.
- It also directs the Secretary of Administration to update Administrative Bulletin 3.5 to clarify that State procurement contracts shall not include products that contain HFCs, as prohibited in this section. It adds language stating that no person shall repair motor vehicle air conditioning without the use of equipment for the extraction and reclamation of HFCs from the air conditioners.
- It amends the statute on building codes to add language that says that no rule or other requirement may prohibit refrigerants that have been approved by the EPA under the federal Clean Air Act.
- **Act 154 (S.148)- Environmental Justice**
- This act establishes an environmental justice policy for the State of Vermont and requires the State agencies to incorporate environmental justice into their work, rules, and procedures. It establishes the Environmental Justice Advisory Council and the Interagency Environmental Justice Committee to advise the State on environmental justice issues. It also requires the creation of an environmental justice mapping tool.

# Bills Passed Last Session

- Act 121- H.523- Reducing HFC emissions
- Governor's letter on H.523 – 5/19/22

I am allowing H.523, An act relating to reducing hydrofluorocarbon emissions, to go into law without my signature.

While I support the goals of this bill, I am concerned there may be unintended consequences for Vermonters who own vehicles made in 2015 or earlier. The number of vehicles and impacts of this law are unknown – and hopefully inconsequential – but should be determined before the effective date in January 2023. I have asked the Department of Motor Vehicles to research this and assess the consequences.

Should there be undue harm from this bill, I will ask the Legislature to make the necessary changes in January.

# Bills Passed Last Session

- **Act 155 (S.161)- Extending the Baseload Renewable Power Portfolio Requirement (Ryegate)**
  - This act extends the obligation for Vermont's utilities to purchase the power from the baseload renewable power portfolio plant (Ryegate) to November 1, 2032, unless the obligation is terminated earlier. It requires the plant owner to increase the overall plant efficiency by 50%. If the owner fails to meet the deadlines establishes in the act, the obligation to purchase the power will be terminated.
  - The act also requires three reports back to the General Assembly related to the extension of the obligation:
    - The first is an assessment of the Ryegate power plant decommissioning fund. **1/15/23**
    - It also requires the Commissioner of Forests, Parks and Recreation to conduct an analysis and calculate a minimum fair market price for wood fuel to be paid by Ryegate. **7/1/24**
    - It also requires the Secretary of Natural Resources to report back on whether the harvesting practices required in the Ryegate certificate of public good need to be updated. **7/1/23**

# Bills Passed Last Session

- **Act 164 (S.269)- Extending the Energy Savings Account Partnership Pilot Program**
- This act extends the Energy Savings Account Partnership Pilot Program. It allows the current participants to accrue additional funds and gives participants additional time to spend the funds on efficiency projects. It also requires the stakeholders to report back to the General Assembly on recommendations to change the Energy Savings Account Partnership Pilot Program. **1/15/23**
- This act also amends the State Home Weatherization Assistance Program so that the annual increase in the assistance amount is based on the inflation of materials and labor.
- (This act also reauthorizes and extends the Vermont Employment Growth Incentive program to January 1, 2024.)

# Bills Vetoed Last Session

- S.234
- H.606
- H.715

# Bills Vetoed Last Session

## **S.234/H.492/S.226- changes to Act 250**

This bill would have made multiple amendments to the State land use and development law, Act 250, and municipal zoning laws including:

- Changing the neighborhood development area designation requirements.
- Changing one of the new town center designation requirements.
- Prohibiting municipal land use permits for a site plan or conditional use from expiring in less than two years.
- Prohibiting towns from requiring more than one parking space per bedroom for accessory dwelling units.
- Providing grants to municipalities to assist them in updating their bylaws.
- Raising the cap on the number of priority housing projects that can be exempt from Act 250.
- Amending multiple definitions under Act 250.
- Streamlining the Act 250 exemption for priority housing projects
- Updating criterion 1(D) of Act 250.

- Requiring municipalities to respond to Act 250 requests within 90 days.
- **Adding a new criterion for forest blocks and connecting habitat.**
- **Requiring forests blocks to be on ANR's maps**
- Clarifying permit conditions for wood product manufacturers.
- **Reduced mitigation of prime ag soils for wood products manufacturers to 1:1**
- Clarifying Act 250 jurisdiction in one-acre towns.
- Requiring a report on Act 250 Jurisdiction Over Agricultural Businesses due by Jan 15, 2023 from the NRB
- Appropriating \$150,000 to the Department of Housing and Community Development to hire a consultant to review the Designated Area Program. Report due July 1, 2023.
- Requiring a report from NRB on various Act 250 topics including how to transition to location-based jurisdiction, how to use the Capability and Development Plan, the effectiveness of the current fee structure, and assessment of current staff levels. Report due 12/31/23.
- **Changing the name of the Natural Resources Board to the Environmental Review Board and giving it the authority to hear appeals from the District Commissions and district coordinators in addition to the Board's current duties. The Environmental Division of the Superior Court would continue to hear appeals from other environmental permits, enforcement, and local zoning appeals. Members of the Environmental Review Board would be appointed by the Environmental Review Board Nominating Committee. After the members of the Board are appointed, the Board would adopt rules of procedure for appeals.**



# Bills Vetoed Last Session

## **S.234** – An act relating to changes to Act 250

### Governor's veto message 6/1/22

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning S.234, An Act Relating to Changes to Act 250, without my signature because this bill moves us in the wrong direction on Act 250.

From my perspective, this bill makes Act 250 even more cumbersome than it is today and it will make it harder to build the housing we desperately need. These concerns were raised by elected leaders on both sides of the aisle, though were not addressed by the Legislature.

Fortunately, the pieces of this bill that will make some modest improvements were added to another bill, which I plan to sign.

Based on the objections outlined above, I am returning this legislation without my signature pursuant to Chapter II, Section 11 of the Vermont Constitution.

# Bills Vetoed Last Session

- **H.606**-An act relating to community resilience and biodiversity protection (30 x 30)
  - This bill would have established State goals of conserving 30% of the land of the State by 2030 and 50% by 2050. For land to have counted toward the goals, it would have needed to meet the categories defined in the bill and be permanently conserved. The land conserved would have included State, federal, municipal, and private land. This bill would have directed the Secretary of Natural Resources to develop a plan by December 31, 2023, to achieve the two goals.

# Bills Vetoed Last Session

- **H.606**-An act relating to community resilience and biodiversity protection (30 x 30)
- Governor's Veto Message- 6/2/22
- Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning H.606, An act relating to community resilience and biodiversity protection, without my signature.
- Vermont has a long history of effective land conservation that has significantly contributed to the state's vibrant, resilient working landscape of farms and forests, vast natural areas, and world class opportunities for outdoor recreation. This is a result of flexible and innovative tools like our current use program and the payment-for-ecosystem-services model. These programs are critical to achieving our conservation priorities because they combine conservation planning with incentives – making it more attractive and affordable for Vermont families to keep and conserve their land, farms and forests.
- Over the course of the legislative session, the Agency of Natural Resources testified multiple times against this bill. Among the objections, the Agency pointed to the conservation goals established in H.606 are unnecessarily tied to – and unreasonably limited to – permanent protection. The Agency has repeatedly said that permanent preservation has not been, and cannot be, the state's exclusive conservation tool and this bill, intentional or not, would diminish the existing and successful conservation tools we have.
- Based on the objections outlined above, I am returning this legislation without my signature pursuant to Chapter II, Section 11 of the Vermont Constitution.

# Bills Vetoed Last Session

- **H.715** The Clean Heat Standard
- This bill would have directed the Public Utility Commission (PUC) to design the Clean Heat Standard (CHS) and submit rules establishing and regulating it to the General Assembly. The CHS would have required entities that made the first sale of heating fuel into Vermont to reduce their amount of greenhouse gas emissions every year. The required reduction would have been determined by the PUC by determining the reduction amount needed to meet the thermal sector portion of the required reductions under 10 V.S.A. § 578(a). Greenhouse gas reductions would have been represented by clean heat credits. Obligated parties would have needed to either generate or purchase clean heat credits sufficient to cover their required amount every year. Clean heat credits would have been generated by actions approved by the PUC called clean heat measures. Obligated parties would have been required to have at least 32% of their annual clean heat credits come from customers with low and moderate income. The bill would have created a Technical Advisory Group and an Equity Advisory Body to assist and advise the PUC.
- Governor's Veto Message- 5/6/22

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.

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,

A handwritten signature in black ink, appearing to read "Phil Scott", with a long horizontal line extending to the right.

Philip B. Scott  
Governor