

Clean Heat Standard Equity Advisory Group

Tuesday, April 16, 12:30-2:30 PM ET

Agenda

Meeting Link: <https://meet.goto.com/552661509>

Participant Agenda

12:30	Welcome & Review of agenda <ul style="list-style-type: none">• Initiate recording	Mia
12:35	Review and approval of 4/02/24 meeting minutes	Mia
12:40	Updates from the PUC <ul style="list-style-type: none">• General updates• Questions?	Dominic Gatti, PUC
1:00	Technical Advisory Group Report and on-going collaboration <ul style="list-style-type: none">• Update from TAG liaisons• Response to TAG question about low- / middle- income definition	Emily / Matt
1:05	Equity Framework Vote	Chris
1:20	Credit Ownership Update <ul style="list-style-type: none">• Discuss conclusions that are broadly acceptable by this group and things that are still on the table for debate• Discussion of potential memo to PUC	Mia
1:45	Introduce final report outline	Mia
2:10	Other Matters <ul style="list-style-type: none">• Discussion on Public Engagement• Potential for extending meeting times• Agenda topics for next meeting – Tues., April 30, 12:30 – 2:30	Mia
2:20	Public Comment (10 min)	Mia
2:30	Close	Mia

CHS EAG Final Report Outline

Introduction

Executive Summary

Legislative Directive

Equity Framework

- Guiding principles
- Rubric

Inventory of existing clean heat landscape

Needs

- Research on existing demographics of households in targeted groups
- Energy burden research
- Identification of research gaps in needs

Existing services

- Stakeholder mapping
- List of existing programs surveyed by PUC

Challenges

- Discussion of challenges households face in accessing clean heat
 - From Act 18: assess “whether customers are equitably served by clean heat measures”
 - From Act 18: discuss “challenges renters and residents of manufactured homes face in equitably accessing clean heat measures”

Review of public engagement process

- Task from Act 18: Recommend strategies for engaging Vermonters with low income and moderate income in the public process for developing the Clean Heat Standard program.
 - Discuss how we did this.
- Comments on public feedback
- Link to additional Climate Council research process

Discussions of issue areas identified in clean heat framework and suggestions

Tasks (from Act 18)

- Assessing whether customers are equitably served by clean heat measures and how to increase equity;
- Providing feedback to the Commission on the impact of the Clean Heat Standard on the experience of Vermonters with low income and moderate income
- Providing recommendations to ensure that renters and residents of manufactured homes have equitable access to clean heat measures.
- Identifying actions needed to provide customers with low income and moderate income with better service and to mitigate the fuel price impacts calculated in section 8128 of this title;
- Recommending any additional programs, incentives, or funding needed to support customers with low income and moderate income and organizations that provide social services to Vermonters in affording heating fuel and other heating expenses

Topics

- Credit Ownership
 - Issues
 - Recommendations
 - How to ensure that customers benefit from reduced costs of measures

- How to ensure consumer protection
 - How to ensure access to financing
- Households that are not readily able to access clean heat measures
 - Issues
 - Recommendations
 - How to assist households with homes that need updates (electrical panels, etc) to access CHS measures
 - Consider way to count enabling upgrades as CHS measures?
- Specific groups' needs:
 - POC – not in statute but we should consider
 - Recommendations
 - Manufactured homes
 - Recommendations
 - Renters
 - Recommendations
 - Multifamily buildings
 - Recommendations
 - Subsidized housing
 - Recommendations
 - Very low income households
 - Recommendations
 - Small businesses
 - Recommendations

Implementation recommendations

- Additional research needs recommended for implementation.

- Metrics for success - how will PUC assess whether this has been implemented equitably?
- Recommendation to continue EAG work in some capacity after January?

Additional comments from individual EAG members

Staff Proposal: Initial Ownership of Clean Heat Credits

Introduction

The delivery or installation of clean heat measures for end-use customers in Vermont will create clean heat credits.¹ A clean heat credit is a tradeable, nontangible commodity that represents the amount of greenhouse gas reductions attributable to a particular clean heat measure.² A clean heat credit can be divided, traded, transferred, bought, sold, or held until it is retired.³ Customers and entities are free to enter into contracts transferring ownership of credits as they see fit. We acknowledge that different clean heat measures have different characteristics and distinguish installed measures (e.g., weatherization, heat pumps, etc.) and delivered measures (e.g., biofuels, renewable natural gas, etc.).

Obligated parties consist of a regulated natural gas utility serving customers in Vermont, entities that import heating fuel for ultimate consumption within the state, and entities that produce, refine, manufacture, or compound heating fuel within Vermont for ultimate consumption within the state.⁴ The Commission must establish the number of clean heat credits that each obligated party is required to obtain and retire each calendar year.”⁵ An “obligated party may seek to meet its requirement, in whole or in part, through one or more of the following ways: by delivering eligible clean heat measures, by contracting for delivery of eligible clean heat measures, or through the market purchase of clean heat credits.” 30 V.S.A. § 8125(d)(1). “All eligible clean heat measures that are delivered in Vermont beginning on January 1, 2023, shall be eligible for clean heat credits.” Section 8127(k).

Pursuant to 30 V.S.A. § 8127(b), the Commission must establish a standard methodology for determining what party or parties will be the owner of a clean heat credit upon its creation.

The Commission has issued orders requesting comment and held a workshop regarding the methodology to apply to the initial credit ownership determination.

Public input included the following suggestions for determining initial credit ownership:

- Clean heat credits would initially go to the installer or deliverer.

¹ 30 V.S.A. § 8123(3): “Clean heat measure” means fuel delivered and technologies installed to end-use customers in Vermont that reduce greenhouse gas emissions from the thermal sector. Clean heat measures shall not include switching from one fossil fuel use to another fossil fuel use. The Commission may adopt a list of acceptable actions that qualify as clean heat measures.

² 30 V.S.A. § 8123(2): “Clean heat credit” means a tradeable, nontangible commodity that represents the amount of greenhouse gas reduction attributable to a clean heat measure. The Commission shall establish a system of management for clean heat credits pursuant to this chapter.

³ 30 V.S.A. § 8127(k)(2): The owner or owners of a clean heat credit are not required to sell the credit.

⁴ 30 V.S.A. § 8123(12).

⁵ 30 V.S.A. §§ 8124(a)(1) and 8122(c).

- Clean heat credits would go to the entity, including customers, that induces, pays for, or incentivizes the clean heat measure.

Clean Heat Credit Ownership Structure, Staff Proposal:

For the purpose of receiving feedback from the Equity Advisory Group and the Technical Advisory Group, Commission staff offer the following proposal on clean heat credit ownership.

Staff proposes distinguishing initial credit ownership based on whether the clean heat measure was installed or delivered, using the following methodology:

- For installed clean heat measures, end-use customers are awarded all clean heat credits.
- For clean heat measures impacting multi-owner properties, the initial credit ownership will be divided amongst the customers by a pre-arranged agreement.
- For delivered measures, ownership would hinge on the question of who initiated the measure:
 - If a customer opts for the delivered measure (e.g., voluntary purchase of renewable natural gas or higher biofuel blends), the customer will initially own the credit;
 - If a fuel dealer initiates the delivery of a delivered CHM of up to 20% biofuel blend, the deliverer owns the credit;
 - If a natural gas utility initiates the delivery of a delivered CHM of up to the amount of renewable natural gas authorized in its alternative regulation plan, the utility owns the credit;
 - If fuel dealers initiate the delivery of a delivered CHM above a 20% biofuel blend, the fuel dealers must first inform the customer and confirm the customer's heating equipment is able to handle the fuel blend and then the deliverer will own the credit.

Staff Considerations:

Commission staff acknowledges that there are multiple reasonable approaches to this decision and has considered, among other things, the following regarding this proposed methodology.

- Customers, installers, and deliverers are the entities at the center of the clean heat standard. Customers may enter into contracts transferring ownership of clean heat credits to the installer or deliverer, a number of whom may also be obligated parties. Customer credit ownership will give customers negotiating power in their contractual agreements with their installer or deliverer, which could result in an exchange of incentives for the credit, likely reducing the cost of the clean heat measure to the customer.
- To ease concerns that customers may be unduly pressured by their installer or deliverer to implement a clean heat measure for credit-creation purposes, the Commission could require installers and deliverers to provide Commission-approved information about the Clean Heat Standard program, alternative technologies and fuels, and information about what programs are available to help pay for measures.

- Awarding proportional credits to every party that supports and/or pays for a clean heat measure: would complicate the initial determination of credit ownership; could create market confusion about ownership; could potentially raise equity concerns; and could complicate subsequent transactions. Allowing credit ownership to originate with the end-use customer is simpler for all parties involved. Note, though, that parties are not prohibited from entering into contracts regarding the ownership of credits, including for an exchange of funds or other incentives or services.

Specific Requested Feedback:

Input is now requested from the Technical and Equity Advisory Groups^{6,7} regarding Staff's proposed methodology to address initial clean heat credit ownership. Staff specifically seeks feedback on the following questions but welcomes all thoughts on this subject.

- Whether a different methodology should be applied to pipeline renewable natural gas deliveries?
- Whether all credits for installed and delivered measures should be awarded directly to customers?
- Should customers first evaluate and give informed consent to a deliverer-initiated use of a delivered clean heat measure, no matter the blend percentage?
- Whether a different methodology should be applied to clean heat credits for early action clean heat measures?

⁶ 30 V.S.A. § 8127(b): The Commission, in consultation with the Technical Advisory Group, shall establish a standard methodology for determining what party or parties shall be the owner of a clean heat credit upon its creation. The owner or owners may transfer those credits to a third party or to an obligated party.

⁷ 30 V.S.A. § 8129(a)(5): providing feedback to the Commission on the impact of the Clean Heat Standard on the experience of Vermonters with low income and moderate income.”

EAG Subgroup on Credit Ownership
4/15/24

Key Takeaways/ EAG subgroup recommendations

- Credits generated by installed measures are initially owned by the owner of the property where the measure is installed.
- EAG urges the PUC to require as much information as practicable to the initial credit owner from the installer and/or the entity to whom the credit is to be transferred.
 - Suggested information shared as part of the transaction would include the monetary and CO2e value of the credit(s) that are generated from installation of clean heat measure, the new estimated energy / cost savings and from installed measure vs. estimated energy cost before installation, and health disclosures related to the installed measures.
- EAG recommends the same information shared for installed measures also be shared for delivered measures (e.g. liquid biofuels and RNG)

Policy Takaways: Simplicity, Fairness and Transparency throughout the process.

- There needs to be a clear pathway for the transference of credit ownership.
- The entity hoping to obtain the credit from the customer should be responsible for educating the customer with information provided by the PUC.

Outstanding Questions Remaining for EAG discussion:

- Special credit ownership rules or WAP or other low-income assistance programs?
- Credit Ownership for delivered measures.
- If credits originate with customer, do they lose value as they are transferred to the Obligated Parties? Why or how would they lose value if they start with the customer vs. with the installer/deliverer? (This idea was raised in the subgroup and not discussed)

Preamble

Whereas the Climate Council Just Transitions Subcommittee drafted the *Guiding Principles for a Just Transition (Guiding Principles)* in August 2021; and

Whereas the *Guiding Principles* advises that “[s]tudies continue to show that low-income communities, indigenous peoples, and black and other communities of color are among those who are particularly vulnerable to the impacts of climate change”; and

Whereas low- and moderate-income and historically marginalized, disadvantaged and under-served communities include Indigenous communities; people of color; new Americans; mobile home communities; renters, including subsidized housing renters; communities near electric plants, fuel-manufacturing plants, and fracking sites; and rural and floodplain communities; and

Whereas Vermonters have also been historically marginalized or may be marginalized due to language barriers, gender inequality, LGBTQ status, socioeconomic status, education level, employment status, disability, immigration status, religious beliefs, culture, or incarceration history; and

Whereas the *Guiding Principles* were drafted to help guide the Climate Council and its subcommittees ensure that strategies to reduce greenhouse gas emissions...benefit and support all residents of the State of Vermont fairly and equitably”; and

Whereas the Clean Heat Standard was enacted in May, 2023; in order to help “meet the greenhouse gas emission reductions required by the GSWA”; and

Whereas the Clean Heat Standard established the Equity Advisory Group to assist the Public Utilities Commission “in developing and implementing the Clean Heat Standard in a manner that ensures an equitable share of clean heat measures are delivered to Vermonters with low income and moderate income”; and

Whereas the Clean Heat Standard directs the Commission to “biennially assess harmful consequences that may arise in Vermont and elsewhere from the implementation of specific types of clean heat measures and shall set standards or limits to prevent those consequences”; and

Whereas these harmful consequences include but are not limited to “environmental burdens as defined in 3 V.S.A. § 6002, public health, deforestation or forest degradation, conversion of grasslands, increased emissions of criteria pollutants, damage to watersheds, or the creation of new methane to meet fuel demand”; and

Whereas these consequences have a disproportionate harmful consequence on low- and moderate-income and historically marginalized, disadvantaged and under-served Vermonters; and

Whereas among the duties of the Equity Advisory Group is “supporting the Commission in

assessing whether customers are equitably served by clean heat measures and how to increase equity”; and

Whereas the *Guiding Principles* is meant to ensure that disenfranchised populations are not unduly impacted by emissions transformation projects including proposed clean heat measures under the Clean Heat Standard; and

Whereas the *Guiding Principles* was not drafted specifically to evaluate potential eligible clean heat measures, but the *Guiding Principles* does provide a rubric that the Equity Advisory Group can build upon; and

Whereas the EAG dissolves upon the implementation of the Clean Heat Standard, though equitable clean heat measures are needed after the dissolution of the Equity Advisory Group;

Therefore the Equity Advisory Group offers this rubric to:

1. assist the Commission in developing and implementing the Clean Heat Standard in a manner that ensures an equitable share of clean heat measures are delivered to Vermonters with low and moderate incomes;
2. assist the Commission to assess whether proposed clean heat measures will equitably serve all Vermonters;
3. assist the Technical Advisory Group to evaluate proposed clean heat measures through an equity lens;
4. assist delivery agents and obligated parties to create clean heat measures that serve all Vermonters.

Score the answer to each question in the seven sections based on its potential harm or benefit.

I. Health

The proposed Clean Heat Measure should improve health (physical and mental) outcomes for low- and moderate-income and historically marginalized, disadvantaged and under-served Vermonters. The strategy upholds the fundamental human right to safe, clean, healthy and adequate air, water, land, and housing.

1. Does the proposed clean heat measure reduce air pollution (CO₂ and other greenhouse gasses, PM 2.5, Ozone, VOC, NO_x, etc.) and reduce asthma and other respiratory-related hospital visits?
2. Does the proposed clean heat measure extend the expected longevity and/or quality of

- life for populations experiencing health disparities?
3. Does the proposed clean heat measure reduce stress, anxiety, and depression, and improve mental health?
 4. Does the proposed clean heat measure help restore or protect ecosystem health (air, land, water, soil)?

Overall response to these questions with justification:

II. Affordability

The proposed Clean Heat Measure should lower and stabilize costs related to home heating as well as basic living needs (housing, food, utilities, healthcare, transportation, etc.) for low- and moderate-income and historically marginalized, disadvantaged and under-served Vermonters.

1. Does the proposed clean heat measure prioritize low and moderate income Vermonters?
2. Is the proposed clean heat measure affordable to residents, and/or does the proposed measure offer inclusive financing strategies that prioritize the most income-burdened populations? (be specific about whether you're financing through an organization or the city, etc)
3. Does the proposed clean heat measure reduce energy cost burdens and the number of families that are cost-burdened by housing including utilities?
4. Does the proposed clean heat measure generate burdens (including financial, and health costs), either directly or indirectly, onto others including communities of color or low-income populations? If yes, are there opportunities to mitigate these impacts?
5. Are grants available for low- and moderate-income and historically marginalized, disadvantaged and under-served Vermonters to access the proposed Clean Heat Measure and/or does it offer these Vermonters inclusive financing at favorable rates?
6. Will low- and moderate-income and historically marginalized, disadvantaged and under-served Vermonters lose fuel subsidies as a result of the proposed action?

Overall response to these questions with justification:

III. Accessibility

The proposed clean heat measure should remove barriers and promote access for low- and moderate-income and historically marginalized, disadvantaged and under-served Vermonters.

1. Does the proposed action expand access to clean heat measures for low- and moderate-income and historically marginalized, disadvantaged and under-served Vermonters?
2. Does the proposed clean heat measure remove barriers that might prevent individuals in low- and moderate-income and historically marginalized, disadvantaged and under-served Vermonters from benefiting fully if the clean heat measure were implemented as communicated?
3. Does the proposed clean heat measure increase access to eligible clean heat measures for households living in manufactured homes and/or manufactured home communities?
4. Does the proposed clean heat measure increase access to eligible clean heat measures for renter households?
5. Is the proposal action expressed in clear language accessible to all Vermonters?

Overall response to these questions with justification:

IV. Just Transition

The proposed clean heat measure should ensure economic justice so that low- and moderate-

income and historically marginalized, disadvantaged and under-served Vermonters are prioritized in the benefits of the measure and are protected from any potential negative consequences.

1. Does the clean heat measure support low- and moderate-income and historically marginalized, disadvantaged and under-served Vermonters through workforce development, and contracting opportunities?
2. Does the proposed clean heat measure create local opportunities for livable wage jobs for low- and moderate-income and historically marginalized, disadvantaged and under-served Vermonters?
3. Does the proposed action prioritize low and moderate income Vermonters?
4. Does the proposed clean heat measure place responsibility on institutions and businesses to address historical disparities in contributing to climate change?

Overall response to these questions with justification:

V. Community

The proposed clean heat measure should elevate the voices of low- and moderate-income and historically marginalized, disadvantaged and under-served Vermonters by developing and strengthening the skills, abilities, and resources that a community needs to survive, adapt, and thrive.

1. Does the proposed clean heat measure engage and continue to empower low- and moderate-income and historically marginalized, disadvantaged and under-served Vermonters in a meaningful, authentic and culturally appropriate manner? Does it respect community-based knowledge and is it based on community identified needs and input/feedback?
2. Does the proposed clean heat measure help build community capacity through funding, educational opportunities, and/or other resources?
3. Does the proposed action include a plan to respond comprehensively to protect impacted workers?
4. Does the proposed action support low- and moderate-income and historically marginalized, disadvantaged and under-served Vermonters through workforce development, contracting opportunities?
5. Does the proposed action create local opportunities for livable wage jobs for low- and moderate-income and historically marginalized, disadvantaged and under-served Vermonters?
6. Does the proposed clean heat measure help foster the building of effective, long-term relationships and trust between diverse communities and businesses and institutions?

Overall response to these questions with justification:

VI. Accountability

The proposed clean heat measure should ensure that all Vermonters, including low- and moderate-income and historically marginalized, disadvantaged and under-served Vermonters can hold governments and institutions accountable for equitable implementation.

1. Is the proposed clean heat measure based on verifiable science unbiased by politics, lobbying, corporate sponsorship, or precedential decisions?
2. Does the proposed clean heat measure meet the intended thermal requirements of the building it serves?

3. Does the proposed clean heat measure have provisions to ensure ongoing collection of data (that can be disaggregated by race/ethnicity/income) and public reporting of data? Can this data be validated qualitatively by community members?
4. Does the proposed clean heat measure have clear markers of short-term and long-term success as well as timelines for meeting markers of success? If so, what are the mechanisms we will utilize to ensure that goals are met (successful implementation and enforcement)?
5. Does the proposed action address consequences if goals are not met? Is there a process for those impacted by the action to express grievances or satisfaction and to ensure that concerns are met?
6. Is the proposed action adequately funded to achieve its designed goals?

Overall response to these questions with justification:

VII. Cultural Preservation

The proposed clean heat measure should deliberately and respectfully honor cultural relevance and history to maintain cultural heritage from the past and present for the benefit of all generations.

1. Does the proposed clean heat measure acknowledge/respect/honor the culture, historic assets, and traditions of low- and moderate-income and historically marginalized, disadvantaged and under-served Vermonters?
2. Does the proposed action improve social cohesion (engagement and connection within/to the community) among low- and moderate-income and historically marginalized, disadvantaged and under-served Vermonters?
3. Does the proposed action’s decision-making processes go beyond dollars and cents to address shared values and cultural differences in order to support implementation?

Overall response to these questions with justification:

						Impact	
					Harm -1	Neutral	Benefit +1
I. Health							
1							
2							
3							
4							
II. Affordability							
1							

2							
3							
4							
5							
6							
III. Accessibility							
1							
2							
3							
4							
5							
IV. Just Transition							
1							
2							
3							
4							
V. Community							
1							
2							
3							
4							
5							
6							
VI. Accountability							
1							
2							

3							
4							
5							
6							
VII. Cultural Preservation							
1							
2							
3							

From: [Ashira Pelt](#)
To: [Mia Watson](#); [Christopher Trombly](#); [Gatti, Dominic](#)
Subject: [EXTERNAL]Fwd: McCormick...EAG question
Date: Tuesday, April 9, 2024 12:52:54 PM
Attachments: [Draft edited and final vesion.doc](#)
[PastedGraphic-2.png](#)

----- Forwarded message -----

From: **John McCormick** <jmccormick@imtd.org>
Date: Tue, Apr 9, 2024 at 10:49 AM
Subject: Re: McCormick...EAG question
To: Ashira Pelt <apelt@cbi.org>

Good morning Ashira

Please distribute the attached draft reauthorization of the Weatherization Assistance Program to the EAG members. Thank you for pursuing this with me.

The draft is designed to recruit more weatherization crew using a gradual salary increase from \$20.16 to \$30. And, it qualifies lower median income households for the W.A.P. grants. This is a responsible approach to achieving the GWSA goals based upon the gradual scale up of workforce availability.

And, I hope you experienced that once-in-a-lifetime experience. We got to stare at the sun for 2+ hours...better than bungee jumping.

Peace

John McCormick
571-331-1066

On Tue, Apr 9, 2024 at 10:28 AM Ashira Pelt <apelt@cbi.org> wrote:

Hi John,

Just confirming that I can share this with the rest of the EAG?

Best,
Ashira

On Fri, Apr 5, 2024 at 8:48 AM Ashira Pelt <apelt@cbi.org> wrote:

Hi John,

Thank you for reaching out! I am sorry to hear that you are having trouble connecting to the Zoom. I can tell that you have been trying hard to connect to every meeting, so I definitely want to make sure it works for you. I am happy to schedule some time with you in the next week to troubleshoot the Zoom problems to ensure you are able to connect and participate fully.

With your permission, I will forward your comment regarding the heat pumps and fuel prices to the rest of the EAG. I'm sure they would like to hear your insight.

Let me know if I have your permission to circulate.

All the best,

Ashira

On Thu, Apr 4, 2024 at 12:40 PM John McCormick <jmccormick@imtd.org> wrote:

Hello Ashira

I used my computer audio until it was time for public comments. When I dialed in, the Zoom message indicated I could not join the meeting.. Thus, I had to listen to the positive responses. I could not adequately participate in the chat.

I will dial in on the 16th and look forward to an informative and conclusive discussion.

I live in a 2 level log home with no drywall. It cannot accommodate a heat pump. I use oil and cut, split and burn wood from my 9.5 acre forest. I will have to burn more wood if the fuel price increases as anticipated. I am 80 and do not look forward to that possible future.

I am asking that question entirely of my self-interest; to strongest motivator there is.

John McCormick

5r71-331-1066

--

Ashira A Pelt

Senior Associate

Consensus Building Institute

apelt@cbi.org

(813)786-4460

https://link.edgepilot.com/s/a1b170ab/MoBI-5laekyVpDiOpSx_AQ?u=http://www.cbi.org/



--

Ashira A Pelt

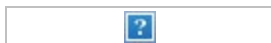
Senior Associate

Consensus Building Institute

apelt@cbi.org

(813)786-4460

https://link.edgepilot.com/s/a1b170ab/MoBI-5laekyVpDiOpSx_AQ?u=http://www.cbi.org/



--

Ashira A Pelt
Senior Associate
Consensus Building Institute

apelt@cbi.org

(813)786-4460

https://link.edgepilot.com/s/a1b170ab/MoBI-5laekyVpDiOpSx_AQ?u=http://www.cbi.org/



Subject: Public health; weatherization; funding

An act relating to weatherization funding and weatherization workforce recruitment

Statement of purpose of bill as introduced:

This bill proposes to establish a fee on the purchase of fossil fuels to fund the Home Weatherization Assistance Program. It expands the eligibility criteria to apply for Weatherization Assistance Program grants. The bill also proposes to accelerate and increase Administrative and financial support of weatherization trade workforce recruitment and training programs funded through the Home Weatherization Assistance Program. It acknowledges and respects the vital public service weatherization and clean heat systems installers -- the front line combating global warming -- while providing for the health and wellbeing of Vermonters by increasing the wages and benefits of installation **and technical personnel**.

It is hereby enacted by the General Assembly of the State of Vermont:
The Healthy Homes Act

Sec. 1. FINDINGS

The General Assembly finds that, in addition to the weatherization efforts provided under the current Home Weatherization Assistance Program established in 33 V.S.A. chapter 25, an increased pace of weatherization would benefit the health of Vermont citizens, the environment and the economy. Accelerated weatherization efforts will:

1. Improve the comfort level of Vermont's families and individuals particularly children, the elderly and those afflicted with respiratory illnesses and allergies;
2. provide fuel-cost savings and savings for the Low Income Home Energy Assistance Program (LIHEAP) and the Home Heating Fuel Assistance Program;
3. reduce residents' lost work and school days;

4. lower the economic burden on the Vermont Treasury caused by the costs of emergency room visits and medical services provided to Vermonters living in uninsulated, drafty homes utilizing inadequate or poorly maintained heating systems during winter months;
5. increase job opportunities in the field of weatherization and alternative heating systems by recruiting and training new applicants to the industry;
6. salaries of Weatherization Assistance Program installation crews do not reflect the true value of the service they perform and must be increased to attract new personnel and encourage their tenure;
7. aside from lowering heating costs, weatherization is a means for homeowners to protect the environment, diminish the outflow of money to the fossil fuel industry and improving Vermont's air quality;
8. When Vermonters household income is adjusted to account for near-record levels of inflation, the buying power of the median Vermont household, in 2022 dollars, actually declined by 5%. Expanding the economic eligibility for weatherization grants, among low-middle income households, is in the best interest of energy burdened Vermonters; and
9. Workforce availability remains the limiting factor in Vermont's effort to comply with mandated carbon dioxide reductions from the buildings sector. Respecting their public service by increasing the wage level while aggressively recruiting and training new applicants can eventually overcome the workforce shortage.

Sec. 2. 33 V.S.A. § 2502 is amended to read:

§ 2502 (b)(1) The State program shall provide an enhanced weatherization assistance amount exceeding the federal allowing amounts up to an average of ~~\$8,500.00~~ \$14,500.00 per unit allocated on a cost-effective basis and increased annually commensurate with the

annual Federal inflation rate. The allowable average per unit may be adjusted to account for the lower cost per unit of multifamily buildings. In units where costs exceed the allowable average by more than 25 percent, prior approval of the Director of the State Economic Opportunity Office shall be required before work commences. The amount shall be adjusted annually to account for inflation of materials and labor.

(b)(3) The Director, in collaboration with the weatherization service providers and other stakeholders, shall develop the State program so that it will include:

(b)(C) Establishing Program eligibility levels at ~~80~~ 125 percent of the area median income or ~~80~~ 125 percent of the State median income, whichever is higher. Subject to the priority under section 2608 of this title given to participants in the Home Heating Fuel Assistance Program, the State program shall, when weighing factors to assign priority to buildings or units eligible for weatherization assistance, assign the greatest weight to those buildings and units that require the highest energy usage.

H. The Program shall collaborate with and, if needed, contribute funds and Administrative support to local workforce and education partnerships including the Department of Economic Development Vermont Training Program, the Department of Labor, Vermont Energy Investment Corporation, ReSource's Weatherization 101 Training Program and non-governmental organizations representing the interests of Vermont's homeless population and recently completed substance abuse rehabilitation clients and high school career and technical education programs.

I. The Director of the State Office of Economic Opportunity shall administer salary increases to the installation crew and technical staff, under the jurisdiction of the Weatherization Assistance Program: 15% at the beginning of the 2025 State Fiscal Year

(SFY) and 15% at the beginning of the 2026 SFY and 15% at the beginning of the 2027 SFY.

Sec. 3. 33 V.S.A. § 2503 is amended to read:

§ 2503. Fuel ~~Tax~~ Fee

(a)(1) There is imposed a fee on the retail sale of heating oil, propane, kerosene, and other dyed diesel fuel delivered to a residence or business, at the rate of:

(a). \$0.02 per gallon on July 1, 2024, ending on June 30, 2026

(b) \$0.04 per gallon July 1, 2026, ending on June 30, 2028

(c) \$0.08 per gallon on July 1, 2028 and ending subject to the consideration of the General Assembly.