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H.289

Introduced by Representatives McCoy of Poultney, Harrison of Chittenden,  
Bailey of Hyde Park, Howland of Rutland Town, and  
Southworth of Walden

Referred to Committee on

Date:

Subject: Public service; energy; renewable energy; climate change; air  
pollution; Global Warming Solutions Act; Climate Action Plan;  
Climate Council

Statement of purpose of bill as introduced: This bill proposes to change the  
Renewable Energy Standard to the Clean Energy Standard. It would also  
provide funding for electric vehicle incentives. It would also make multiple  
amendments to the Global Warming Solutions Act.

An act relating to affordable climate initiatives

It is hereby enacted by the General Assembly of the State of Vermont:

\* \* \* Clean Energy Standard \* \* \*

Sec. 1. 30 V.S.A. § 202b is amended to read:

§ 202b. STATE COMPREHENSIVE ENERGY PLAN

(a) The Department of Public Service, in conjunction with other State  
agencies designated by the Governor, shall prepare a State Comprehensive

1 Energy Plan covering at least a 20-year period. The Plan shall seek to  
2 implement the State energy policy set forth in section 202a of this title,  
3 including meeting the State's greenhouse gas emissions reductions  
4 ~~requirements~~ goals pursuant to 10 V.S.A. § 578, and shall be consistent with  
5 the relevant goals of 24 V.S.A. § 4302 ~~and with the Vermont Climate Action~~  
6 ~~Plan adopted and updated pursuant to 10 V.S.A. § 592.~~ The State  
7 Comprehensive Energy Plan shall include:

8 \* \* \*

9 (e) The Commissioner of Public Service (Commissioner) shall file an  
10 annual report on progress in meeting the goals of the Plan. The report shall  
11 address each of the following sectors of energy consumption in the State:  
12 electricity, nonelectric fuels for thermal purposes, and transportation. In  
13 preparing the report, the Commissioner shall consult with the Secretaries of  
14 Administration, of Agriculture, Food and Markets, of Natural Resources, and  
15 of Transportation and the Commissioner of Buildings and General Services.

16 \* \* \*

17 (3) For each sector, the report shall provide:

18 (A) In millions of British thermal units (MMBTUs) for the most  
19 recent calendar year for which data are available, the total amount of energy  
20 consumed, the amount of clean and renewable energy consumed, and the  
21 percentage of clean and renewable energy consumed. For the electricity

1 sector, the report shall also state the amounts in megawatt hours (MWH) of  
2 retail sales and load for Vermont as well as for each retail electricity provider  
3 and the Vermont and New England summer and winter peak electric demand,  
4 including the hour and day of peak demand.

5 (B) Projections of the energy reductions and shift to clean and  
6 renewable energy expected to occur under existing policies, technologies, and  
7 markets. The most recent available data shall be used to inform these  
8 projections and shall be provided as a supplement to the data described in  
9 subdivision (A) of this subdivision (3).

10 \* \* \*

11 (7) The report shall include the following information on progress  
12 toward meeting the ~~Renewable~~ Clean Energy Standard (~~RES~~ CES):

13 (A) An assessment of the costs and benefits of the ~~RES~~ CES based  
14 on the most current available data, including rate and economic impacts,  
15 customer savings, technology deployment, greenhouse gas emission reductions  
16 achieved both relative to 10 V.S.A § 578 requirements and societally, fuel  
17 price stability, effect on transmission and distribution upgrade costs, and any  
18 recommended changes based on this assessment.

19 (i) For the most recent calendar year for which data is available,  
20 each retail electricity provider's retail sales and load, in MWh; required  
21 amounts of clean and renewable energy for each category of the ~~RES~~ CES as

1 set forth in section 8005 of this title; and amounts of clean and renewable  
2 energy and tradeable clean and renewable energy credits eligible to satisfy the  
3 requirements of sections 8004 and 8005 of this title actually owned by the  
4 Vermont retail electricity providers, expressed as a percentage of ~~retail sales~~  
5 ~~and total load~~ MWh purchases made by Vermont retail electricity providers to  
6 meet demand.

7 \* \* \*

8 (iv) The report shall assess how costs and benefits of the ~~RES~~  
9 CES are being distributed across State, to the extent possible given available  
10 data, by retail electricity service territory, municipality, and environmental  
11 justice focus populations, as defined by 3 V.S.A. § 6002. Such an assessment  
12 shall consider metrics to monitor affordability of electric rates.

13 (B) Projections, looking at least 10 years ahead, of the impacts of the  
14 ~~RES~~ CES.

15 \* \* \*

16 (iii) The Department shall project, for the State, the impact of the  
17 ~~RES~~ CES in each of the following areas: electric utility rates, total energy  
18 consumption, electric energy consumption, fossil fuel consumption, and  
19 greenhouse gas emissions. The report shall compare the amount or level in  
20 each of these areas with and without the program.

1 (C) An assessment of whether the requirements of the ~~RES~~ CES have  
2 been met to date, and any recommended changes needed to achieve those  
3 requirements.

4 (D) A summary of the activities of distributed renewable generation  
5 programs that support the achievement of the ~~RES~~ CES, including:

6 \* \* \*

7 Sec. 2. 30 V.S.A. § 8002 is amended to read:

8 § 8002. DEFINITIONS

9 As used in this chapter:

10 \* \* \*

11 (7) “Environmental attributes” means the characteristics of a plant that  
12 enable the energy it produces to qualify as clean or renewable energy and  
13 include any and all benefits of the plant to the environment such as avoided  
14 emissions or other impacts to air, water, or soil that may occur through the  
15 plant’s displacement of a nonclean or nonrenewable energy source.

16 \* \* \*

17 (25) “Clean energy” means both renewable energy, as defined in this  
18 section, as well as electricity produced using a technology that does not emit  
19 greenhouse gases as a by-product of energy generation.

20 \* \* \*

1           (29) ~~“RES”~~ “CES” means the ~~Renewable~~ Clean Energy Standard  
2 established under sections 8004 and 8005 of this title.

3   \* \* \*

4           (33) “Tradeable zero emissions credits” or “ZECs” means all of the  
5 environmental attributes associated with a single unit of energy generated by a  
6 clean energy source where:

7                   (A) those attributes are transferred or recorded separately from that  
8 unit of energy;

9                   (B) the party claiming ownership of the tradeable zero emissions  
10 credits has acquired the exclusive legal ownership of all, and not less than all,  
11 the environmental attributes associated with that unit of energy; and

12                   (C) exclusive legal ownership can be verified through an auditable  
13 contract path or pursuant to the system established or authorized by the  
14 Commission or any program for tracking and verification of the ownership of  
15 environmental attributes of energy legally recognized in any state and  
16 approved by the Commission.

17 Sec. 3. 30 V.S.A. § 8004 is amended to read:

18 § 8004. SALES OF ELECTRIC ENERGY; ~~RENEWABLE~~ CLEAN  
19 ENERGY STANDARD (~~RES~~ CES)

20           (a) ~~Establishment~~ Expansion; requirements. The ~~RES~~ Renewable Energy  
21 Standard is ~~established~~ expanded to become the CES. Under this program, a

1 retail electricity provider shall not sell or otherwise provide or offer to sell or  
2 provide electricity in the State of Vermont without ownership of sufficient  
3 energy produced by clean and renewable energy plants or sufficient tradeable  
4 renewable energy and zero emissions credits from plants whose energy is  
5 capable of delivery in New England that reflect the required amounts of clean  
6 and renewable energy set forth in section 8005 of this title or without support  
7 of energy transformation projects in accordance with that section. A retail  
8 electricity provider may meet the required amounts of clean and renewable  
9 energy through eligible tradeable renewable energy and zero emissions credits  
10 that it owns and retires, eligible clean and renewable energy resources with  
11 environmental attributes still attached, or a combination of those credits and  
12 resources.

13 (b) Rules. The Commission shall ~~adopt~~ update the rules that are necessary  
14 to allow the Commission and the Department to implement and supervise  
15 further the implementation and maintenance of the ~~RES~~ CES.

16 (c) ~~RECS~~ RECs and ZECs; banking. The Commission shall allow a  
17 provider that has met the required ~~amount~~ amounts of renewable energy or  
18 zero emissions credits in a given year, commencing with 2017, to retain  
19 tradeable renewable energy or zero emissions credits created or purchased in  
20 excess of that amount for application to the provider's required amount of  
21 clean or renewable energy in one of the following three years.

1 (d) Alternative compliance payment. In lieu of purchasing renewable  
2 energy or tradeable renewable energy or zero emissions credits or supporting  
3 energy transformation projects to satisfy the requirements of this section and  
4 section 8005 of this title, a retail electricity provider in this State may pay to  
5 the Vermont Clean Energy Development Fund established under section 8015  
6 of this title an alternative compliance payment at the applicable rate set forth in  
7 section 8005. The administrator of the Vermont Clean Energy Development  
8 Fund shall use the payment from a retail electricity provider electing to make  
9 an alternative compliance payment to satisfy its obligations under subdivisions  
10 8005(a)(1), 8005(a)(2), 8005(a)(4), and 8005(a)(5) of this title for the  
11 development of renewable energy plants that are intended to serve and benefit  
12 customers with low income of the retail electricity provider that has made the  
13 payment. Such plants shall be located within the provider's service territory, if  
14 feasible. In the event that such a payment is insufficient to enable the  
15 development of a renewable energy plant, the administrator may use the  
16 payment for other initiatives allowed under section 8015 of this title that will  
17 benefit customers with low income of the retail electricity provider that has  
18 made the payment. As used in this subsection ~~(d)~~, "customer with low  
19 income" means a person purchasing energy from a retail electricity provider  
20 and with an income that is less than or equal to 80 percent of area median



1 income, adjusted for family size, as published annually by the U.S. Department  
2 of Housing and Urban Development.

3 \* \* \*

4 (f) Joint efforts. Retail electricity providers may engage in joint efforts to  
5 meet one or more categories within the ~~RES~~ CES.

6 Sec. 4. 30 V.S.A. § 8005 is amended to read:

7 § 8005. ~~RES~~ CES CATEGORIES

8 (a) Categories. This section specifies five categories of required resources  
9 to meet the requirements of the ~~RES~~ CES established in section 8004 of this  
10 title: total clean and renewable energy, distributed renewable generation,  
11 energy transformation, new renewable energy, and load growth renewable  
12 energy. In order to support progress toward Vermont's climate goals and  
13 requirements, a provider may, but shall not be required to, exceed the  
14 statutorily required amounts under this section.

15 (1) Total clean and renewable energy.

16 (A) Purpose; establishment. To encourage the economic and  
17 environmental benefits of renewable energy, this subdivision establishes, for  
18 the ~~RES~~ CES, minimum total amounts of clean and renewable energy within  
19 the supply portfolio of each retail electricity provider. To satisfy this  
20 requirement, a provider may use clean energy generated within New England  
21 or renewable energy with environmental attributes attached or any class of

1 tradeable renewable energy credits generated by any renewable energy plant  
2 whose energy is capable of delivery in New England.

3 (B) Required amounts.

4 (i) The amounts of total clean and renewable energy required by  
5 this subsection (a) shall be 63 percent of each retail electricity provider's  
6 annual load during the year beginning on January 1, 2025, increasing by ~~at~~  
7 ~~least~~ an additional ~~four~~ 7.4 percent each third January 1 thereafter until  
8 reaching 100 percent: on and after January 1, 2030.

9 ~~(i) on and after January 1, 2035 for a retail electricity provider who~~  
10 ~~serves a single customer that takes service at 115 kilovolts and each municipal~~  
11 ~~retail electricity provider formed under local charter or chapter 79 of this title;~~  
12 ~~and~~

13 (ii) ~~on and after January 1, 2030, for all other retail electricity~~  
14 ~~providers~~ The amount of total renewable energy required by this subsection (a)  
15 shall be 55 percent of each retail electricity provider's annual electricity  
16 purchases during the year beginning on January 1, 2027, increasing by an  
17 additional four percent each January 1 hereafter, until reaching 75 percent on  
18 and after January 1, 2032.

19 \* \* \*

20 (2) Distributed renewable generation.

1 (A) Purpose; establishment. This subdivision establishes a  
2 distributed renewable generation category for the ~~RES~~ CES. This category  
3 encourages the use of distributed generation to support the reliability of the  
4 State's electric system; reduce line losses; contribute to avoiding or deferring  
5 improvements to that system necessitated by transmission or distribution  
6 constraints; and diversify the size and type of resources connected to that  
7 system. This category requires the use of renewable energy for these purposes  
8 to reduce environmental and health impacts from air emissions that would  
9 result from using other forms of generation.

10 \* \* \*

11 (E) Avoiding transmission and distribution constraints.

12 (i) Procurements by retail electricity providers and programs that  
13 support meeting the requirements of this subdivision (2) shall avoid  
14 development of new facilities in generation constrained areas of the  
15 distribution or transmission system that would not need to be expanded but for  
16 the addition of additional generation, unless costs associated with development  
17 in those generation constrained areas are not passed through to ratepayers  
18 through the cost to utilities to purchase the generation or in any other manner.  
19 To implement the intent of this section, the Commission may update or adopt  
20 rules, including rules that require a locational adjustor fee.

1           (ii) A retail electricity provider may petition the Commission for  
2 relief of the requirements of subdivision (C) of this subdivision (a)(2) or the  
3 associated alternative compliance payment, which may be granted if the  
4 provider can demonstrate that it is unable to meet its requirements without  
5 extensive upgrades to the transmission or distribution infrastructure that would  
6 be borne by the provider's ratepayers. If relief is granted, the retail electricity  
7 provider shall be required to instead acquire new renewable generation from  
8 facilities that qualify to meet the requirements of subdivision (4) of this  
9 subsection (a), in addition to the requirements as described in subdivision (4)  
10 of this subsection (a).

11           (3) Energy transformation.

12           (A) Purpose; establishment. This subdivision (3) establishes an  
13 energy transformation category for the ~~RES~~ CES. This category encourages  
14 Vermont retail electricity providers to support additional distributed renewable  
15 generation or to support other projects to reduce fossil fuel consumed by their  
16 customers and the emission of greenhouse gases attributable to that  
17 consumption. A retail electricity provider may satisfy the energy  
18 transformation requirement through distributed renewable generation in  
19 addition to the generation used to satisfy subdivision (2) of this subsection (a)  
20 or energy transformation projects or a combination of such generation and  
21 projects.

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\* \* \*

(4) New renewable energy.

(A) Purpose; establishment. This subdivision (4) establishes a new regional renewable energy category for the ~~RES~~ CES. This category encourages the use of new renewable generation to support the reliability of the regional ISO-NE electric system. To satisfy this requirement, a provider shall use new renewable energy with environmental attributes attached or any class of tradeable renewable energy credits generated by any renewable energy plant coming into service after January 1, 2010 whose energy is capable of delivery in New England.

\* \* \*

(6) Alternative compliance rates.

(A) The alternative compliance payment rates for the categories established by subdivisions (1)–(3) of this subsection (a) shall be:

(i) total clean and renewable energy requirement — \$0.01 per kWh; and

(ii) ~~distributed renewable generation and~~ energy transformation requirements — \$0.06 per kWh.

(B) The Commission shall adjust these rates for inflation annually commencing January 1, 2018, using the CPI.

1 (C) For the distributed renewable energy, new renewable energy and  
2 load growth requirements, it shall be \$0.04 per kWh annually commencing on  
3 January 1, 2025, with calculations for inflation beginning on January 1, 2023.

4 \* \* \*

5 Sec. 5. 30 V.S.A. § 8006 is amended to read:

6 § 8006. TRADEABLE CREDITS; ENVIRONMENTAL ATTRIBUTES;  
7 RECOGNITION, MONITORING, AND DISCLOSURE

8 (a) The Commission shall ~~establish or adopt a~~ amend and expand its system  
9 of tradeable renewable energy credits for renewable resources that may be  
10 earned by electric generation qualifying for the prior RES to include clean  
11 energy generation. The system shall recognize tradeable renewable energy  
12 credits monitored and traded on the New England Generation Information  
13 System (GIS); shall provide a process for the recognition, approval, and  
14 monitoring of environmental attributes attached to clean and renewable energy  
15 that are eligible to satisfy the requirements of sections 8004 and 8005 of this  
16 title but are not monitored and traded on the GIS; and shall otherwise be  
17 consistent with regional practices.

18 (b) The Commission shall ensure that all electricity provider and provider-  
19 affiliate disclosures and representations made with regard to a provider's  
20 portfolio are accurate and reasonably supported by objective data. Further, the  
21 Commission shall ensure that providers disclose the types of generation used

1 and shall clearly distinguish between energy or tradeable energy credits  
2 provided from clean, renewable, and nonrenewable energy sources and  
3 existing and new renewable energy.

4 Sec. 6. 30 V.S.A. § 8008 is amended to read:

5 § 8008. AGREEMENTS; ATTRIBUTE REVENUES; DISPOSITION BY  
6 COMMISSION

7 (a) As used in this section, “the revenues” means revenues that are from the  
8 sale, through tradeable clean or renewable energy certificates or other means,  
9 of environmental attributes associated with the generation of clean and  
10 renewable energy from a system of generation resources with a total plant  
11 capacity greater than 200 MW and that are received by a Vermont retail  
12 electricity provider on or after May 1, 2012, pursuant to an agreement,  
13 contract, memorandum of understanding, or other transaction in which a  
14 person or entity agrees to transfer such revenues or rights associated with such  
15 attributes to the provider.

16 \* \* \*

17 Sec. 7. 30 V.S.A. § 8005b is added to read:

18 § 8005b. RENEWABLE ENERGY FOR COMMUNITIES PROGRAM

19 (a) Establishment. The Renewable Energy for Communities Program is  
20 established. To achieve the goals of subdivision 8005(a)(2) of this title, the  
21 Commission shall develop the Renewable Energy for Communities Program

1 that meets the eligibility requirements of this section, which may be  
2 implemented by rule, order, or contract. Retail electricity providers shall issue  
3 periodic solicitations subject to the requirements of the Renewable Energy for  
4 Communities Program.

5 (b) Eligible resources. Distributed renewable generation, as defined in  
6 subdivision 8002(a)(2) of this title, shall be eligible to participate in this  
7 program.

8 (c) Objectives. It shall be the objective of the Renewable Energy for  
9 Communities Program to develop distributed generation at least-cost to  
10 ratepayers that is directed by, developed in consultation with, or directly  
11 benefits communities by one or more of the following:

12 (1) delivering benefits from renewable energy systems to customers who  
13 have historically been marginalized or faced inequitable access to the benefits  
14 of renewable energy, including environmental justice focus populations as  
15 defined by 3 V.S.A. § 6002;

16 (2) supporting community participation in the development and  
17 governance of distributed renewable generation;

18 (3) supporting the delivery of benefits to tenants of buildings that are  
19 designated as affordable housing;

20 (4) supporting the delivery of benefits to school-and municipal-owned  
21 buildings; and



1           (5) advancing other priority issues as identified during program  
2           development as detailed under subsection (f) of this section.

3           (d) Capacity requirement. Retail electricity providers shall issue  
4           solicitations for distributed renewable generation equivalent to a percentage of  
5           their requirement under subdivision 8005(a)(2) of this title, as determined by  
6           the Commission.

7           (e) Solicitation requirement. On a schedule to be developed by the  
8           Commission, each retail electricity provider with an obligation under  
9           subdivision 8005(a)(2) of this title shall issue solicitations for eligible  
10           distributed generation until it has met its capacity requirement. Coordinated  
11           solicitations shall be encouraged. Each retail electric provider shall review  
12           proposed projects in its service territory according to a set of consistent core  
13           criteria as approved by the Commission and consistent with the objectives set  
14           forth in this section. The requirements for the retail electricity providers that  
15           are already 100 percent renewable may be limited by the Commission to an  
16           amount equal to the provider's requirement to meet distributed generation with  
17           load growth above the baseline year of 2024 and allowed on a less frequent  
18           solicitation schedule.

19           (f) Program development. On or before January 1, 2027, the Commission  
20           shall implement the Renewable Energy for Communities Program. In  
21           developing the Program, the Commission shall:

1           (1) determine principles to guide the development of eligible distributed  
2           generation and consider whether additional objectives for the Program as  
3           defined under subsection (a) of this section are necessary;

4           (2) determine whether a percentage of each retail electricity provider's  
5           capacity requirement should be reserved to serve specific customers who have  
6           previously experienced inequitable access to the benefits of renewable energy  
7           and determine any minimum requirement for those projects procured under  
8           this program for serving those specific customers;

9           (3) establish a set of consistent review criteria to be used by all retail  
10          electricity providers in solicitations for eligible distributed generation  
11          considering issues in addition to cost, such as community support or  
12          engagement while developing the proposal; potential for local workforce  
13          development and other community benefits to be delivered to the host  
14          community; location of the project, including whether it is in a constrained  
15          area of the distribution or transmission system or in an area identified as a  
16          preferred location in a regional or municipal enhanced energy plan pursuant to  
17          24 V.S.A. § 4352; and anticipated generation profile;

18          (4) identify reporting requirements and necessary metrics to monitor  
19          how benefits and burdens from the Program are distributed across ratepayers;

20          (5) consult with individuals representing a diverse array of perspectives,  
21          including at minimum representation from industry, retail electric providers,

1 environmental advocates, State agencies, regional and local governments,  
2 communities identified as environmental justice focus populations under 3  
3 V.S.A. § 6002, municipalities experiencing high energy burden as identified by  
4 Efficiency Vermont's 2023 Energy Burden Report, renters, and multifamily  
5 affordable housing representatives;

6 (6) determine a process for exempting or deferring retail electricity  
7 provider requirements under this section in the event no proposals below the  
8 applicable alternative compliance payment are received in response to a retail  
9 electricity provider's solicitation;

10 (7) determine a process for evaluating and reporting on the success of  
11 the Program in achieving the stated goals; and

12 (8) consider other issues as identified throughout the process.

13 (g) The Commission may use its authority under sections 20 and 21 of this  
14 title as may be necessary to support engagement and technical analysis  
15 necessary to develop the Renewable Energy for Communities Program.

16 Funding may be used to support per diem compensation and reimbursement of  
17 expenses as permitted under 32 V.S.A. § 1010 to conduct engagement with  
18 parties who are not otherwise compensated by their employer.

19 **Sec. 8. THERMAL SECTOR PROGRAM FUNDS**

20 (a) For the calendar years 2025 and 2026, up to \$7,000,000.00 of the  
21 revenues collected by the energy efficiency charge established 30 V.S.A.

1 § 209(d)(3)(B) shall be allocated by the Public Utility Commission to the Fuel  
2 Efficiency Fund established under 30 V.S.A. § 203a. For the calendar years  
3 2027, 2028, and 2029, \$15,000,000.00 of the revenues collected by the energy  
4 efficiency charge established 30 V.S.A. § 209(d)(3)(B) shall be allocated by  
5 the Public Utility Commission to the Fuel Efficiency Fund established under  
6 30 V.S.A. § 203a.

7 (b) Of the funds described in subsection (a) of this section, \$900,000.00 per  
8 year shall be allocated to the Agency of Natural Resources to fund the Energy  
9 Navigators Program delivered through the Community Action Agencies and  
10 \$750,000.00 per year will be allocated to the Department for Children and  
11 Families, Office of Economic Opportunity to support heat pump deployment  
12 through the Weatherization Assistance Program.

13 (c) In allocating the remaining balance in the Fuel Efficiency Fund, the  
14 Department of Public Service shall prioritize weatherization assistance for  
15 customers with low and moderate income and consider issues such as current  
16 and projected funding amounts and maintaining continuity in workforce  
17 associated with delivering thermal sector programs.

18 (d) The total amount collected from the energy efficiency charge for the  
19 calendar years 2027, 2028, and 2029 shall be no greater than the amount  
20 authorized to be collected in 2026.



1 Sec. 10. 30 V.S.A. § 255(d) is amended to read:

2 (d) Appointment of consumer trustees. The Public Utility Commission, by  
3 rule, order, or competitive solicitation, may appoint one or more consumer  
4 trustees to receive, hold, bank, and sell tradable carbon credits created under  
5 this program. Trustees may include Vermont electric distribution utilities, the  
6 fiscal agent collecting and disbursing funds to support the statewide efficiency  
7 utility, or a financial institution or other entity with the expertise and financial  
8 resources to manage a portfolio of carbon credits for the long-term benefit of  
9 Vermont energy consumers. ~~The~~ For the calendar years 2025, 2026, 2027,  
10 2028, and 2029, the net proceeds above costs from the sale of carbon credits or  
11 \$6,000,000.00, whichever is lower, shall be deposited into the Electric  
12 Efficiency Fund established under subdivision 209(d)(3) of this title. These  
13 funds shall be used by the entity or entities appointed under subdivision  
14 209(d)(2)(B) of this title to help meet the building efficiency goals established  
15 under 10 V.S.A. § 581 by delivering heating and process-fuel energy  
16 efficiency services to Vermont consumers who use such fuel. Any proceeds  
17 above costs from the sale of carbon credits that exceed \$6,000,000.00 shall be  
18 allocated to the Agency of Transportation for the Incentive Program for New  
19 Plug-in Electric Vehicles, MileageSmart, and Replace Your Ride Program, as  
20 defined in 19 V.S.A. § 2902, 19 V.S.A. § 2903, and 19 V.S.A. § 2904  
21 respectively.

1 Sec. 11. 19 V.S.A. § 2908 is added to read:

2 § 2908. ALLOCATION OF APPROPRIATIONS

3 The Secretary, in the Secretary's discretion, may allocate appropriated  
4 funds among the programs established by this chapter.

5 \* \* \* GWSA Amendments \* \* \*

6 Sec. 12. 10 V.S.A. § 578 is amended to read:

7 § 578. GREENHOUSE GAS REDUCTION REQUIREMENTS

8 (a) Greenhouse gas reduction requirements. Vermont shall ~~reduce~~ achieve  
9 net zero emissions of greenhouse gases from within the geographical  
10 boundaries of the State ~~and those emissions outside the boundaries of the State~~  
11 ~~that are caused by the use of energy in Vermont~~, as measured and inventoried  
12 pursuant to section 582 of this title, ~~by:~~ on or before January 1, 2035.

13 ~~(1) not less than 26 percent from 2005 greenhouse gas emissions by~~  
14 ~~January 1, 2025 pursuant to the State's membership in the United States~~  
15 ~~Climate Alliance and commitment to implement policies to achieve the~~  
16 ~~objectives of the 2016 Paris Agreement;~~

17 ~~(2) not less than 40 percent from 1990 greenhouse gas emissions by~~  
18 ~~January 1, 2030 pursuant to the State's 2016 Comprehensive Energy Plan; and~~

19 ~~(3) not less than 80 percent from 1990 greenhouse gas emissions by~~  
20 ~~January 1, 2050 pursuant to the State's 2016 Comprehensive Energy Plan~~

21 Vermont shall continue to implement the policies to achieve the objectives of

1 the 2016 Paris Agreement and remain at net zero greenhouse gas emissions  
2 across all sectors into the future.

3 \* \* \*

4 Sec. 13. 10 V.S.A. § 590 is amended to read:

5 § 590. DEFINITIONS

6 As used in this chapter:

7 (1) “Adaptation” means reducing vulnerability and advancing resilience  
8 through planned and implemented enhancements to, or avoiding degradation  
9 of, natural and built systems and structures.

10 (2) “Greenhouse gas” has the same meaning as in section 552 of this  
11 title.

12 (3) “Mitigation” means reduction of anthropogenic greenhouse gas  
13 emissions, and preservation and enhancement of natural systems to sequester  
14 and store carbon, in order to stabilize and reduce greenhouse gases in the  
15 atmosphere.

16 (4) “Net zero greenhouse gas emissions” means the total amount of  
17 greenhouse gases released into the atmosphere after accounting for the amount  
18 of greenhouse gases that are naturally absorbed or sequestered is at or less than  
19 zero across all sectors.



1           (5) “Resilience” means the capacity of individuals, communities, and  
2           natural and built systems to withstand and recover from climatic events, trends,  
3           and disruptions.

4           Sec. 14. 10 V.S.A. § 591 is amended to read:

5           § 591. VERMONT CLIMATE COUNCIL

6           (a) There is created the Vermont Climate Council (Council). The Council  
7           shall be advisory and composed of the following members:

8           (1) the Secretary of ~~Administration~~ Natural Resources or designee, who  
9           shall serve as the Chair of the Council;

10           (2) the ~~Secretary of Natural Resources or designee~~ State Climatologist  
11           or designee;

12           (3) the Secretary of Agriculture, Food and Markets or designee;

13           (4) the Secretary of Commerce and Community Development or  
14           designee;

15           (5) the Secretary of Human Services or designee;

16           (6) the Secretary of Transportation or designee;

17           (7) the Commissioner of Public Safety or designee;

18           (8) the Commissioner of Public Service or designee;

19           (9) one member to represent municipal governments, appointed by the  
20           Governor;

1           ~~(10)~~ one member to represent the rural communities, appointed by the  
2 Governor;

3           ~~(11)~~ the following members who shall be appointed by the ~~Speaker of~~  
4 ~~the House~~ General Assembly:

5           ~~(A) one member with expertise and professional experience in the~~  
6 ~~design and implementation of programs to reduce greenhouse gas emissions;~~

7           ~~(B) one member to represent rural communities;~~

8           ~~(C) one member to represent municipal governments;~~

9           ~~(D) one member to represent distribution utilities;~~

10          ~~(E)~~(B) one member to represent a statewide environmental  
11 organization;

12          ~~(F)~~(C) one member to represent the fuel sector;

13          ~~(G) one member with expertise in climate change science; and~~

14          ~~(H)~~(D) one member to represent Vermont manufacturers.

15          ~~(10) the following members who shall be appointed by the Committee on~~  
16 ~~Committees:~~

17          ~~(A) one member with expertise in the design and implementation of~~  
18 ~~programs to increase resilience to and respond to natural disasters resulting~~  
19 ~~from climate change;~~

20          ~~(B)~~(E) one member to represent the clean energy sector;

21          ~~(C)~~(F) one member to represent the small business community;

1           ~~(D)~~(G) one member to represent the Vermont Community Action  
2 Partnership;

3           ~~(E)~~(H) one member to represent the farm and forest sector; and

4           ~~(F)~~(I) one youth member; ~~and~~

5           ~~(G)~~ one member of a Vermont-based organization with expertise in  
6 energy and data analysis.

7           (b) The Council shall make recommendations to the Secretary of Natural  
8 Resources and in formulating the recommendations the Council shall:

9           (1) Identify, analyze, and evaluate strategies and programs to reduce  
10 greenhouse gas emissions; achieve the State's reduction requirements pursuant  
11 to section 578 of this title; and build resilience to prepare the State's  
12 communities, infrastructure, and economy to adapt to the current and  
13 anticipated effects of climate change, ~~including:~~

14           ~~(A) creating an inventory of all existing programs that impact~~  
15 ~~greenhouse gas emissions and their efficacy;~~

16           ~~(B) evaluating and analyzing the technical feasibility and cost-~~  
17 ~~effectiveness of existing strategies and programs and identifying, evaluating,~~  
18 ~~and analyzing new strategies and programs that are based upon emerging~~  
19 ~~scientific and technical information;~~

1           ~~(C) analyzing each source or category of sources of greenhouse gas~~  
2           ~~emissions and identifying which strategies and programs will result in the~~  
3           ~~largest greenhouse gas emissions reductions in the most cost-effective manner;~~

4           ~~(D) identifying, analyzing, and evaluating public and private~~  
5           ~~financing strategies to support the transition to a reduced greenhouse gas~~  
6           ~~emissions economy and a more resilient State; and~~

7           ~~(E) evaluating and analyzing existing strategies and programs that~~  
8           ~~build resilience, and identifying, evaluating, and analyzing new strategies and~~  
9           ~~programs to prepare the State's communities, infrastructure, and economy to~~  
10           ~~adapt to the current and anticipated effects of climate change.~~

11           (2) ~~On or before December 1, 2021, adopt~~ Adopt the Vermont Climate  
12           Action Plan (Plan) ~~and update the Plan on or before July 1 every four years~~  
13           ~~thereafter, the first of which was adopted on December 1, 2021.~~ On or before  
14           December 15, 2026, the Secretary of Natural Resources, in collaboration with  
15           the Department of Public Service and other relevant agencies and departments  
16           of State government, shall deliver a companion implementation strategy and  
17           aggressive-yet-achievable timeline for achieving net zero emissions across all  
18           sectors by 2035. The companion implementation strategy shall include long-  
19           term funding mechanisms that prioritizes use of existing resources. On or  
20           before July 1 every five years thereafter, the Secretary of Natural Resources  
21           shall consider the recommendations of the Council and shall update the Plan.

1     The Council shall finalize its recommendations on or before January 1 of the  
2     year that the Plan is due. The Plan shall ~~set forth~~ recommend the specific  
3     affordable and practicable initiatives, programs, and strategies that the State  
4     ~~shall pursue~~ will consider implementing to ~~reduce greenhouse gas~~ meet net  
5     zero emissions reductions; achieve the State's 2035 reduction ~~requirements~~  
6     target pursuant to section 578 of this title; and build resilience to prepare the  
7     State's communities, infrastructure, and economy to adapt to the current and  
8     anticipated effects of climate change.

9             (3) ~~Identify the means to accurately measure:~~

10                 (A) ~~the State's greenhouse gas emissions and progress towards~~  
11                 ~~meeting the reduction requirements pursuant to section 578 of this title,~~  
12                 ~~including publishing emissions data in a timely manner;~~

13                 (B) ~~the effectiveness of the specific initiatives, programs, and~~  
14                 ~~strategies set forth in the Plan and updates to the Plan in reducing greenhouse~~  
15                 ~~gas emissions;~~

16                 (C) ~~the effect of climate change on the State's climate, wildlife, and~~  
17                 ~~natural resources; and~~

18                 (D) ~~the existing resilience of the State's communities, infrastructure,~~  
19                 ~~and economy and progress towards improving resilience to adapt to the current~~  
20                 ~~and anticipated effects of climate change.~~



1           (d) ~~The Council shall recommend necessary legislation to the General~~  
2 ~~Assembly concerning:~~

3               (1) ~~adopting market based or alternative compliance mechanisms as part~~  
4 ~~of the State's greenhouse gas emissions reduction strategies;~~

5               (2) ~~changes to land use and development, including to chapter 151 of this~~  
6 ~~title and 30 V.S.A. § 248, to reduce greenhouse gas emissions and promote~~  
7 ~~resilience in response to climate change;~~

8               (3) ~~statutory authority necessary to implement the Plan; and~~

9               (4) ~~any other matter the Council deems appropriate.~~

10           (e) The Council shall have the administrative, and technical, ~~and legal~~  
11 assistance of the Agency of Natural Resources and the Department of Public  
12 Service and may request the assistance of any Executive Branch ~~Agency~~  
13 agency and ~~Department~~ department.

14           ~~(f)~~(e) A majority of the sitting members of the Council shall constitute a  
15 quorum, and action taken by the Council may be authorized by a majority of  
16 the members present and voting at any meeting at which a quorum is present.  
17 The Council may permit any or all members to participate in a meeting by, or  
18 conduct the meeting through the use of, any means of communication,  
19 including electronic, telecommunications, and video- or audio-conferencing  
20 technology, by which all members participating may simultaneously or  
21 sequentially communicate with each other during the meeting. A member

1 participating in a meeting by this means is deemed to be present in person at  
2 the meeting. The Council shall meet at the call of the Chair or a majority of  
3 the members of the Council, and the Council may elect officers and adopt any  
4 other procedural rules as it shall determine necessary and appropriate to  
5 perform its work.

6 ~~(g)~~(f) Members of the Council and members of subcommittees who are not  
7 State employees shall be entitled to per diem compensation and reimbursement  
8 of expenses for each day spent in the performance of their duties, as permitted  
9 under 32 V.S.A. § 1010. These payments shall be made from monies  
10 appropriated to the Agency of Natural Resources.

11 ~~(h)~~(g) The members of the Council appointed pursuant to subdivision (a)  
12 ~~(9)~~(11) of this section shall be appointed to ~~initial terms of two years~~, and  
13 ~~members appointed pursuant to subdivision (a)(10) of this section shall be~~  
14 ~~appointed to initial terms of three years. Thereafter, each appointed member~~  
15 ~~shall~~ serve a term of three years or until ~~his or her~~ a member's earlier  
16 resignation or removal. A vacancy shall be filled by the appointing authority  
17 for the remainder of the unexpired term. An appointed member shall not serve  
18 more than ~~three~~ two full consecutive three-year terms.

19 ~~(i)~~(h) On or before January 15, 2021 and every January 15 thereafter, the  
20 Council shall submit a written report to the General Assembly concerning the  
21 Council's activities and the State's progress towards meeting the 2035 net



1 greenhouse gas reduction requirements pursuant to section 578 of this title. On  
2 or before November 1, 2021 and every second November 1 thereafter, the  
3 Director of Vermont Emergency Management shall file a report with the  
4 Council concerning Vermont's overall municipal resilience to increased  
5 hazards presented by climate change that shall include hazard mitigation plans,  
6 local emergency management plans, and survey results as deemed appropriate  
7 by the Director. Subsequent reports shall include updates to document  
8 progress in local resilience. The report shall inform Council recommendations  
9 on policies to address gaps in local resilience.

10 Sec. 15. 10 V.S.A. § 592 is amended to read:

11 § 592. THE VERMONT CLIMATE ACTION PLAN

12 (a) On ~~or before~~ December 1, 2021, the Vermont Climate Council  
13 (Council) ~~shall adopt~~ adopted the Vermont Climate Action Plan (Plan) ~~and~~  
14 The Secretary of Natural Resources shall update the Plan on or before July 1  
15 every ~~four~~ five years thereafter.

16 (b) The Plan shall ~~set forth~~ recommend the specific affordable and  
17 practicable initiatives, programs, and strategies, including regulatory and  
18 legislative changes, necessary to achieve the State's net zero greenhouse gas  
19 emissions reduction requirements across all sectors pursuant to section 578 of  
20 this title and build resilience to prepare the State's communities, infrastructure,  
21 and economy to adapt to the current and anticipated effects of climate change.

1 The Plan shall include those specific affordable and practicable initiatives,  
2 programs, and strategies that will:

3 \* \* \*

4 (c) The analysis, development, and selection of the specific initiatives,  
5 programs, and strategies contained in the Plan and updates to the Plan shall be  
6 based upon:

7 ~~(1) the Council's analysis and evaluation of strategies and programs~~  
8 ~~pursuant to subdivision 591(b)(1) of this chapter;~~

9 ~~(2)~~ reports, plans, and information pertaining to greenhouse gas  
10 emissions reduction and climate resilience strategies from the Agency of  
11 Natural Resources, the Department of Public Service, other State agencies and  
12 departments, and, where appropriate, the State Comprehensive Energy Plan  
13 prepared pursuant to 30 V.S.A. § 202b and the 2018 Vermont Climate Action  
14 Commission Report to the Governor; ~~and~~

15 ~~(3) other reports, plans, and information.~~

16 (d) ~~The specific initiatives, programs, and strategies contained in~~ To the  
17 extent practicable and affordable, the Plan and updates to the Plan shall further  
18 the following objectives:

19 (1) to prioritize the most cost-effective, technologically feasible, and  
20 equitable greenhouse gas emissions reduction pathways and adaptation and  
21 preparedness strategies informed by scientific and technical expertise;





1       (f) ~~The Secretary shall, at his or her discretion, but not less frequently than~~  
2       ~~once every two years between 2026 and 2030, review and, if necessary, update~~  
3       ~~the rules required by subsection (e) of this section in order to ensure that the~~  
4       ~~2030 greenhouse gas emissions reduction requirement pursuant to section 578~~  
5       ~~of this title is achieved. In performing this review and update, the Secretary~~  
6       ~~shall observe the requirements of subsection (e) of this section.~~

7       (g) On or before July 1, 2040, the Secretary shall consider and adopt and  
8       implement rules, which are, in the Secretary's discretion, cost effective,  
9       affordable, practicable, and designed to maintain the net zero or less  
10       greenhouse gas emissions and are consistent with the specific initiatives,  
11       programs, and strategies set forth in the Plan and updates to the Plan and  
12       achieve the 2050 net zero greenhouse gas emissions reduction ~~requirement~~  
13       ~~pursuant to section 578 of this title~~ across all sectors.

14       (h) ~~The Secretary shall, at his or her discretion, but not less frequently than~~  
15       ~~once every two years between 2040 and 2050, review and, if necessary, update~~  
16       ~~the rules required by subsection (g) of this section in order to ensure that the~~  
17       ~~2050 greenhouse gas emissions reduction requirement pursuant to section 578~~  
18       ~~of this title is achieved. In performing this review and update, the Secretary~~  
19       ~~shall observe the requirements of subsection (e) of this section.~~

1       ~~(i)~~(g) The Secretary may establish alternative reduction mechanisms to be  
2       used by sources of greenhouse gas emissions, if necessary, to achieve net zero  
3       emissions ~~after 2050~~ on or before 2035.

4             ~~(1) The use of alternative reduction mechanisms shall account for not~~  
5       ~~more than 20 percent of statewide greenhouse gas emissions estimated as a~~  
6       ~~percentage of 1990 emissions. The use of a mechanism must offset a quantity~~  
7       ~~of greenhouse gas emissions equal to or greater than the amount of greenhouse~~  
8       ~~gasses emitted.~~

9             ~~(2) The Secretary shall verify that any greenhouse gas emissions offset~~  
10       ~~projects authorized as alternative reduction mechanisms represent equivalent~~  
11       ~~emissions reductions or carbon sequestration that are real, additional,~~  
12       ~~verifiable, enforceable, and permanent.~~

13            ~~(j) If the Council fails to adopt the Plan or update the Plan as required by~~  
14       ~~section 592 of this chapter, the Secretary shall adopt and implement rules~~  
15       ~~pursuant to 3 V.S.A. chapter 25 to achieve the greenhouse gas emissions~~  
16       ~~reductions requirements pursuant to section 578 of this title.~~

17            ~~(k)~~(h) Nothing in this section shall be construed to limit the existing  
18       authority of a State agency, department, or entity to regulate greenhouse gas  
19       emissions or establish strategies or adopt rules to mitigate climate risk and  
20       build resilience to climate change.

