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## **DRAFT Memorandum**

Date: February 21, 2007

To: Speaker Symington, Senate President Pro Tempore Shumlin, Senate Natural Resources & Energy Committee Chair Lyons, House Natural Resources & Energy Committee Chair Dostis

From: The Governor's Climate Change Commission (GCCC) and the Plenary Group (PG)

Subject: "Early Consensus" Policy Options and Other Actions for Possible Legislative Consideration

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### **Overview**

Vermont's Legislative leadership, committee chairs, and individual legislators have expressed interest in taking action on climate change this session. These leaders recognize the importance of working in parallel with the Commission on Climate Change established by Governor Douglas and its associated Plenary Group. The GCCC-PG is tasked with identifying, characterizing, and quantifying the costs and benefits of emission reduction policy options best suited to Vermont, and its work could thus provide well-vetted components for a major "omnibus" climate initiative. Because the GCCC-PG's recommendations won't be finalized until September 2007, however, legislators have asked whether any GCCC-PG options reflect sufficient early consensus that action on them could be considered this session.

This document describes three possible approaches that the GCCC-PG believes could be productively undertaken by the Legislature. One or more of these approaches could enable the Legislature to act effectively on climate change this session, while avoiding harm to the comprehensive, structured GCCC-PG process now underway.

The three approaches include:

1. Legislative consideration of certain “early consensus” policy options identified by the GCCC-PG, with an eye toward legislative adoption or affirmation this session.
2. Legislative initiation of programs or efforts complementary to the GCCC-PG, potentially including:
  - a. Establishing a legislative Summer Study Committee about ways to address climate change in Vermont. This Committee could leverage the GCCC-PG membership of Sen. Ginny Lyons and Rep. Bob Dostis; dovetail well with the legislative hearings and education sessions being held this session; closely echo the GCCC-PG process via regular briefings from the GCCC-PG, VT DEC, and/or CCS; and position the Legislature well for comprehensive climate action in the 2008 session.
  - b. Planning and convening a high-profile, Legislatively-sponsored symposium targeting how Vermont can best recognize and secure economic opportunities likely to evolve under climate change. Ideally, this symposium would take place in the Fall of 2007, after the GCCC has submitted its recommendations to the Governor, and would build on these recommendations. Sector- or technology-specific workshops could be held as well, building toward the Fall symposium.
  - c. Initiating a “Vermont College and University Challenge” to identify, target, and educate students regarding technology and policy leadership opportunities that will be created in the course of a changing climate and society’s responses to it, thereby positioning academic institutions and the state to take advantage of such opportunities as they come into focus.
3. Working with legislative leadership on legislation of a more substantive nature where there is significant overlap between GCCC-PG policy prioritization and express legislative interest. Note, however, that premature action on GCCC-PG policy options should be avoided until their characterization and quantification is complete. If this is not possible, efforts should target a small number of policies where significant overlap already exists, could readily exist, or at least doesn’t create a problem.

Further elaboration on each of these approaches follows.

### **1. Early Consensus GCCC-PG Policy Options**

Opportunities for possible early consensus policy options fall into several categories, including: (a) several where Vermont is already implementing some action (in whole or in part); (b) some that the GCCC-PG has and is likely to continue to recommend as initial priorities; and (c) situations where legislation that has already been proposed.

(a) GCCC-PG Policy Options With Some Vermont Implementation Already Underway

Current Policy Option	Current Bill Number	Advantages	Disadvantages
CC-1 – Inventory & Forecast	None	Familiar ground (inventory), but more to be done (forecast).	None, except possible resource constraints.
CC-2 – Reporting	None	- Fairly familiar ground - Legislative reinforcement could assist in design and development.	None.
CC-3 – GHG Registry	None	- Fairly familiar ground (VT already engaged). - Legislative reinforcement could assist in design and development by, for instance, insisting on comprehensive coverage of options (e.g., Ag/Forestry).	None.

(b) GCCC-PG Policy Options Identified as Initial Priorities

Current Policy Option	Current Bill Number	Advantages	Disadvantages
CC-4 – Public Education & Outreach	None	-Fairly familiar ground, but lots more to be done. -One idea suggested by CC TWG: Establish a statewide coordination function and/or clearinghouse to assist numerous current local efforts.	None.
CC-5 – Adaptation	None	Little done to date, so good potential nexus with Legislative Summer Study Committee.	None.

(c) Options Where Legislation Has Already Been Proposed

Current Policy Option	Current Bill Number	Advantages	Disadvantages
Catalog TLU 3.2.8 – Anti-Idling Measures	S.0013, S.0025, H.0069	- Bill already introduced. - Reasonable option; GCCC-PG not opposed; not a stretch.	Not a GCCC-PG priority policy option.
CC-7 – (Lead-by-Example); AFW-1 – Buy Local	H.0046 –Buy VT ag products	- Bill already introduced. - Already targeted by GCCC-PG.	None, but thorough GCCC-PG design & quantification of AFW-1 may not be complete.

## 2. Complementary Legislative Initiatives

### a. Legislative Summer Study Committee

The GCCC-PG is progressing systematically through a comprehensive, objective, and deliberative process to establish a baseline inventory of greenhouse gas emissions, a future projection of these emissions, and how this forecast could be altered if various policies were implemented. In doing so, the GCCC-PG remains mindful of the GHG reduction goals identified by the Governor in Executive Order 07-05 and by the Legislature in Act 168 (2006 Adjourned Session).

The GCCC-PG process will conclude September 1, 2007 with a comprehensive set of policy recommendations that have been defined, analyzed, and vetted through a public engagement process by a diverse set of knowledgeable, interested, and potentially affected individuals. The recommended policies will be identified as to their manner of implementation, the contribution they can make toward achieving Vermont’s goals, the cost (or cost savings) and other benefits they would provide, and other characteristics. Some of these recommendations are likely to require legislative authorization in order to be implemented.

Convening a Summer Study Committee to review climate policy options most appropriate for Vermont via regular briefings from the GCCC-PG on the progress of its analyses and recommendations could greatly assist Legislature in the development of “omnibus” climate legislation for the 2008 session. The Committee’s interaction with the GCCC-PG would provide a solid foundation for legislative action through a concrete inventory and forecast of GHG emissions, comprehensive policy options encompassing all Vermont economic sectors, and a high degree of pre-existing consensus developed among a broad array of Vermont stakeholders. These factors should materially assist in the development and success of comprehensive climate legislation in the 2008 session. Engaging Sen. Ginny Lyons and Rep. Bob Dostis as leaders of such a Summer Study Committee would – due to their direct involvement in the GCCC-PG – complement and

enhance the interaction and close working relationship that already exists between the Legislature and the GCCC-PG as its process proceeds.

**b. Fall 2007 Climate Change Symposium**

Addressing climate change will create both major challenges and opportunities. To successfully slow, stop, and reverse ever-increasing emissions of climate altering gases will require not only the use of means, measures, and technologies that society has available today, but the development and application of fundamentally new technologies and new thinking about how energy is created, distributed, and utilized throughout society. New and expanded opportunities will arise not only with respect to energy and energy technologies, but also in markets, policies, services, and education.

To this end, the Legislature could sponsor and convene a high profile symposium, featuring major thinkers and leaders on the opportunities that a “new energy future” presents, and how Vermont can best position its citizens and economy to take full advantage of these opportunities. Targeted topics should include energy, developing markets and economies, environmental issues and services, legal and financial services, and policies that should be introduced in order for Vermont to benefit from the global warming solutions that will enjoy widespread adoption.

**c. Vermont College and University Climate Challenge**

The Legislature could challenge Vermont’s institutions of higher education to develop plans to provide superior education on the issue of climate change, including science, policy, adaptation, and opportunities in technology, law, finance, and emerging markets.

Such a “Vermont College and University Climate Challenge” could take many paths, including initiation of academic programs to identify and target technology and policy leadership opportunities that will be created by the “new energy future” noted above; similar opportunities associated with adaptation responses to changing climate; and development of specific scientific and technical capabilities to assess and most effectively utilize Vermont’s resources. For example, using Vermont’s forest resources as biofuel feedstocks may better address future energy requirements than just using them fuel wood for combustion. The Challenge could also be a key output from the Legislative Symposium suggested above.

**3. Substantive Legislation with Possible Overlap to GCCC-PG Policy Options**

This approach should be used to the minimum extent possible in order to avoid premature action on GCCC-PG policy options until their characterization and quantification is complete. Consideration of policy options through this approach would require communication the Governor’s Office as well, in as much as the options considered would arguably reflect recommendations of the GCCC.

Current Policy Option	Current Bill Number	Advantages	Disadvantages
TLU-5 – Alternative Fuels	None.	<p><b><i>Idea: Adopt a biofuel incentive or mandate for home heating oil (HHO).</i></b></p> <ul style="list-style-type: none"> <li>- Consistent with other gubernatorial and legislative initiatives (e.g., 25x25, biofuels initiative, etc.)</li> <li>- Already targeted by GCCC-PG.</li> </ul>	<ul style="list-style-type: none"> <li>- Thorough policy design &amp; quantification of this option would not be complete.</li> <li>- This policy is part of a larger package of measures.</li> </ul>
ESD-10 – Hydro-specific Support Measures	JRH.007	<p><b><i>Idea: Support renewal of HydroQuebec power supply agreements.</i></b></p> <ul style="list-style-type: none"> <li>- Already targeted by GCCC-PG.</li> <li>- Legislation already introduced.</li> </ul>	<ul style="list-style-type: none"> <li>- Thorough policy design &amp; quantification would not be complete (if expanded to other measures).</li> </ul>