

EAN 2020 Pitch Submission Form

1. Pitch Submitted By:

- Ludy Biddle, NeighborWorks of Western Vermont
- Sen. Chris Bray, Vermont Senate
- Rich Cowart, RAP
- Johanna Miller, VNRC
- Richard Faesy, Energy Futures Group
- Kelly Lucci, Efficiency Vermont
- Neale Lunderville, VGS
- Marc Mihaly, environmental law expert

2. Contact Email Address:

- For Neale: nlunderville@vermontgas.com

3. Phone Number(s)

- For Neale: 802.734.1956

4. Pitch Title:

- [Working title] Invest in Vermonters: A Plan to Save Money & Improve Health for Low and Middle Income Households

5. Pitch Summary:

- A warm home should not be a luxury, but for too many low and moderate Vermonters, under-insulated homes keep thermostats low, fuel bills high, and fossil fuel use unchanged. The framework of State's ambitious climate goals is built on the foundation of energy efficiency, yet we have not mobilized the funds required to invest in weatherization at scale to shift the trajectory of our greenhouse gas emissions. We propose a massive recapitalization of Vermont's Weatherization Trust Fund to fund more than 100,000 home retrofits for low and moderate income households over the next decade. The plan calls for an all-of-the-above funding plan to include: green bonds funded by a "pay as you save" approach and backed by a thermal fuels efficiency fee; direct investment by utilities, municipalities, and federal grant funding; and Freedom & Unity Bonds to allow ultra-low interest borrowing for eligible homeowners. In addition to the obvious direct customer and climate benefits, our proposal will improve health outcomes for customers, provide a measure of energy justice for often overlooked customers, and put Vermonters to work in good-paying energy jobs.

6. How would you describe the status of this pitch:

Level one: Initial idea that needs to be refined and developed with the expertise of relevant partners before work can move forward

XX Level two: Project in the planning phase – ready to create an action plan, draft a grant proposal, complete necessary research, etc.

Level three: Ready to begin implementing in collaboration with partners

7. What Energy Sector(s) Does this Pitch Apply to? (Check all that apply):

XX Energy Efficiency

Electricity

Transportation

XX Thermal Heating and/or Cooling

None

8. Which Criteria Category(ies) Does It Address? (Check all that apply):

XX Promoting energy equity

XX Significant reductions in fossil fuel use and GHG pollution from energy

XX A stronger and more just Vermont economy

XX Clean energy jobs

XX Energy security and resilience

XX Sustainable energy landscape

XX Committed leadership from multiple network members

9. Which Leverage Areas Would It Attempt to Shift? (Check all that apply):

XX Policy & Regulatory Reform

Public Engagement

XX Workforce Development/Workforce Transition

Technology Innovation

XX Capital Mobilization

10. Scale of Impact on Vermont’s Energy and Emissions Goals: If this proposal came to fruition, how would it help meet Vermont’s energy and emissions goals by 2025 and/or 2050? Please outline assumptions and, if available, provide calculations-- especially for emissions reduction estimates.

- [Please note that these figures are based on preliminary estimates. We continue to refine our modeling for funding streams, Vermonters served, cost and energy savings, and emissions reductions. We intend to hone these estimates further with the primary focus of our proposal for Vermonters less than 120% AMI. At the scale contemplated below, political pushback will be intense, and we want to calibrate

the proposal to find the sweet spot of pushing the edge and inspiring real action without being dismissed as fantasy.]

- There are few, if any, ways for Vermont to achieve its Path to Paris and CEP 2030 targets without a program to provide weatherization at scale.
- In order to achieve targets, Vermont may require as many as 180,000 total comprehensive weatherization projects over the next decade. Current funding levels account for 25,000 projects, leaving 155,000 homes without a dedicated funding stream.
- The preliminary calculation to fund 155,000 additional weatherization projects is \$1.635 billion, inclusive of grants, borrowing, and homeowner match.
- An investment at this scale would provide numerous additional benefits to Vermont:
 - Create over 7,000 net direct, indirect, and induced jobs over the next decade (using ACEEE estimates).
 - Prevent over \$1.5 billion in fossil fuel expenses for Vermonters over the next 35 years (using DPS estimates).
 - Specifically for the 90,000+ low-income homes in the program, the weatherization work could prevent an estimated 10,146 emergency department visits, 591 hospitalizations, and 22 deaths over a 10-year period, associated with reduced health impacts caused by asthma, cold, and heat (using VDH estimates).

11. Benefits and costs of this proposal for Vermont and Vermonters: Including, where possible, economic (local economic development and jobs), financial (consumer savings), social, public health, and environmental. Who will be better off? Who will *not* be able to benefit?

- The economic, financial, and public health benefits are noted above.
- This proposal specifically targets low and moderate income households. Vermonters living in homes weatherized as part of this program will be the most direct beneficiaries of the effort. They will have warmer homes, pay less in heating bills, and experience improved health outcomes.
- Additionally, the program produces many societal goods including job creation, improved public health, and the global good of reducing greenhouse gas emissions.
- Further, since these funds are directed to low and moderate households, the program provides a measure of energy justice to populations who: (1) have a high total energy burden as measured by VEIC; (2) have been often overlooked in energy innovation policies; (3) bear an increasing share of infrastructure costs as energy users of means invest in cost-saving technology (solar, EVs, green building); and (4) will likely be most impacted by climate change.

- The cost of this effort will be borne by all users (via system-level charges) and specifically by households who participate in the program (via “pay-as-you-save” on-bill financing). Of specific concern are low and moderate income households who will pay system-level charges, but have not had or will not participate in the weatherization program. They will see bills increase without the efficiency offset.

12. Collaboration and Commitment: What partners/organizations are already working together and/or committed to work together on this issue?

- As evidenced by our co-sponsors, we are building a broad coalition to support the proposal.
 - Ludy Biddle, NeighborWorks of Western Vermont, works directly with low and moderate income Vermonters
 - Sen. Chris Bray is the chair of the Vermont Senate Committee on Natural Resources and Energy
 - Rich Cowart, Regulatory Assistance Project, and Richard Faesy, Energy Futures Group, are preeminent thinkers in energy transformation
 - Johanna Miller, VNRC, represents public interest organizations advancing climate-forward state policy
 - Kelly Lucci, EVT, and Neale Lunderville, VGS, represent EEs & utilities
 - Marc Mihaly is professor emeritus and former President of Vermont Law School and a leading scholar on environmental law

13. Key stakeholders and decision-makers: Who else needs to be involved to move this proposal forward? (e.g., Legislature, Governor, a regulatory agency, a business, organization, media outlet, or financing institution, people with lived experience, etc.)

- Governor Phil Scott and Department of Public Service: The Administration’s support will be very helpful to build a broad coalition.
- Treasurer Beth Pearce: The Treasurer’s support on the bonding proposals is important for the proposal to advance in the Legislature.
- Legislative leadership: Support from leaders of the House, Senate, and the relevant committees are absolutely critical to advance legislation.
- Community Action Agencies and Weatherization Assistance Programs: These organizations, which are already doing weatherization work, are important to ground the proposal in reality and demonstrate the ongoing need for services with LMI households.
- Fuel dealers: We are not assuming opposition by the fuel dealers, but rather offering this proposal as an opportunity to make a generational transformation with their member dealers.

- Electric DUs & EVT: Utility support is needed for direct investment in weatherization funding, plus will be very helpful to build a broad coalition.
- Mayors, municipalities and town energy committees: Some cities and towns may choose to bond to expand local weatherization efforts, plus their support will be important to build a legislative coalition.
- Banks & credit unions: The proposal will benefit from private financial support and acumen, especially for households able to borrow to complete weatherization work.
- VEDA, VCLF, et al.: These non-profit lenders may provide insight and acumen on lending, borrowing, and risk.
- Construction companies, building trades, and IBEW: Part of our effort will be to expand the weatherization workforce and these groups may contribute to our understanding and efforts.
- Public interest groups and subject-matter experts (e.g., VNRC, VPIRG, RAP): The support from these groups is expected, but should not be assumed. They will be important to buttress the environmental and financial arguments in committee.
- Business groups and Chambers of Commerce: These groups might be interesting (and unexpected) advocates, especially as it relates to the job creation benefit. They will cross pressure policy makers who are cost-sensitive.
- Private capital companies: If possible, it would be good politics to get non-traditional supporters of weatherization expressing their support.
- VT Congressional Delegation: For possibility of federal funding.

14. If selected, EAN staff will support you in pulling together and facilitating a dedicated Action Team to work on this pitch over the next year, and possibly beyond. Describe what success would look like for this idea a year from now.

- The EAN Summit will be the launch pad for this ambitious proposal. Our group will rally additional support through the EAN process with the expectation to deliver it as proposed legislation at the start of the biennium.
- If the legislation passes and is signed, there will be a period of ramp-up over the ensuing year to prepare for massive weatherization efforts starting 2022:
 - Final rulemaking by the Public Utility Commission to set payback structure, fees/rates, and other programmatic details;
 - Workforce development efforts to train weatherization teams; and
 - Preparation of bond documents required for the first tranche of funds.
- If the above-mentioned work is underway by next September, this proposal will be fully successful.

15. Is there anything else you would like us to know about this pitch?

- Thank you for considering our proposal.