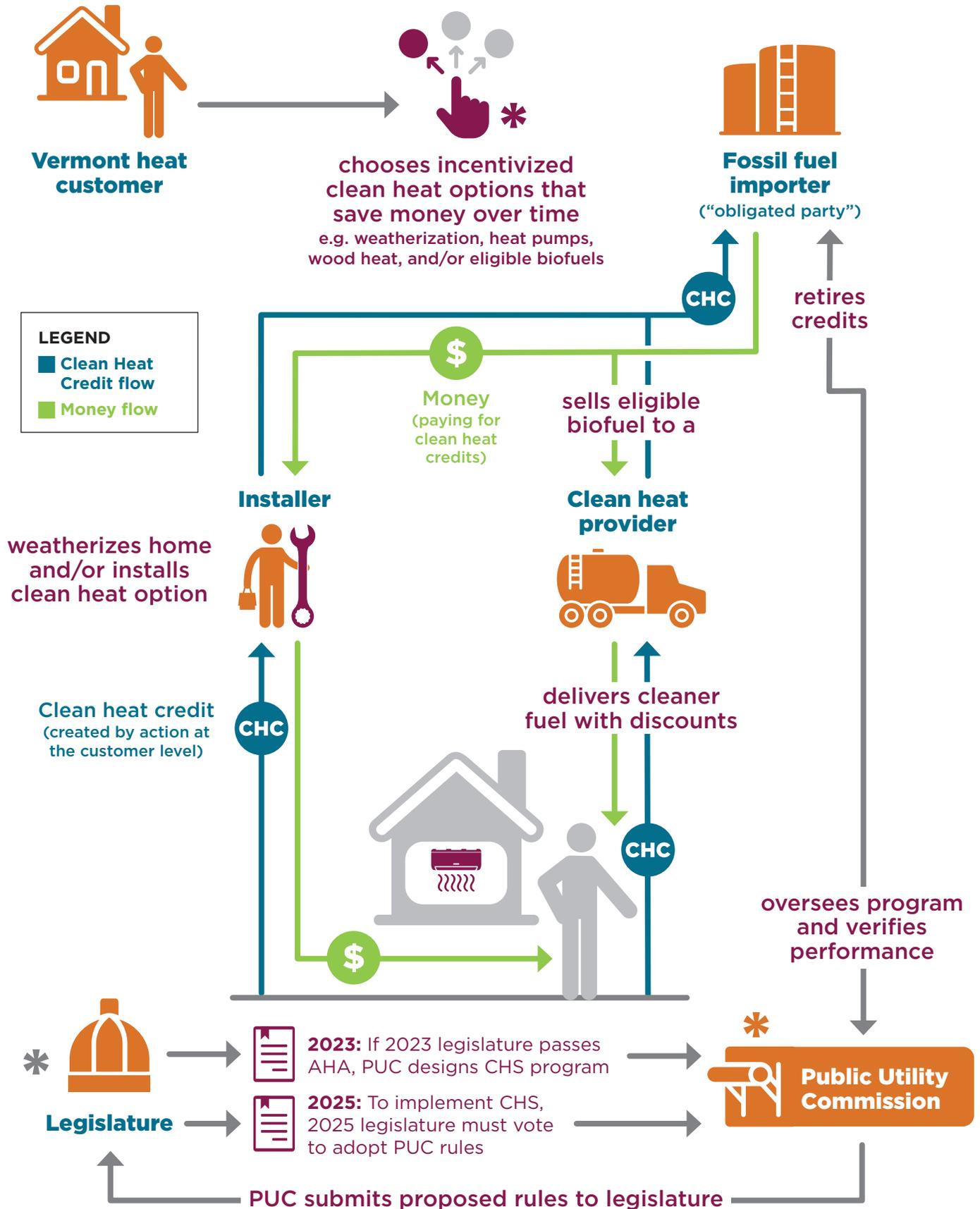


# Clean Heat Standard: Money and credit flow



\*\*\* See reverse for notes and additional information.

**Note:** Fossil fuels are not eligible for clean heat credits so customers who continue to use nothing but fossil fuels (and who choose not to weatherize) are not represented on this flow chart. It is expected that fossil fuel importers will seek to pass some portion of the costs related to having to pay for clean heat credits on to fossil fuel customers.

**\* Financial incentives and assistance to enable Vermonters to make cleaner heating choices are expected to significantly increase and expand**

thanks to the enactment of a Clean Heat Standard (CHS). This is because a CHS will require fossil fuel importers to generate or purchase clean heat credits, which can only be created in increasing numbers when more consumers are empowered to choose one or more of the many cleaner heating options available under the Affordable Heat Act.

**In the meantime, many utility, state, and federal incentives and other types of assistance are already available for Vermonters to access the numerous cleaner heat options that will generate clean heat credits.** A partial list of existing programs includes:

**FEDERAL:**

- Inflation Reduction Act (IRA) incentives: See the helpful IRA incentive calculator from [Rewiring America](#)
  - ➔ *Examples: Rebates (available late 2023 or 2024) up to \$8,000 for heat pumps, \$4,000 for electric panel upgrades, \$2,000 for heat pump water heaters, \$2,500 for electric wiring, and \$1,600 for weatherization. Additional tax credits (available now) up to \$2,000 for heat pumps, \$2,000 for heat pump water heaters, \$1,200 for weatherization, and more.*

**STATE:**

- [Weatherization Assistance Program](#)
  - ➔ *Example: For income-eligible Vermont households, provides about \$10,000 for comprehensive weatherization improvements.*
- Advanced Wood Heating incentives made possible by the Clean Energy Development Fund and Efficiency Vermont and available via the [Renewable Energy Resource Center](#)
  - ➔ *Example: \$6,000 toward the installation of Advanced Wood Heating*
- Biodiesel incentives from the Clean Energy Development Fund available via the [Renewable Energy Resource Center](#)
  - ➔ *Example: Up to \$1,300 for income-eligible Vermonters to use B99 biodiesel to replace fuel oil use.*

**UTILITY:**

- Incentives from efficiency utilities: [Efficiency Vermont](#); [Burlington Electric Department](#); and [VGS](#)
  - ➔ *Example: Efficiency Vermont: Up to 75% off weatherization; \$350 - \$6,500 rebate for heat pump installation (depending on type of heat pump system); up to \$800 rebate for heat*

*pump water heater, \$400 rebate for efficient wood and pellet stoves*

- Incentives from electric distribution utilities, including [Green Mountain Power](#), [Vermont Electric Co-op](#), Municipal utilities served by the [Vermont Public Power Supply Authority](#), [Burlington Electric Department](#), and [Stowe Electric Department](#).

➔ *Example: Green Mountain Power: \$400 rebate per heat pump*

**OTHER SOURCES OF ASSISTANCE:**

- [A Vermonter's Guide to Residential Clean Heating and Cooling](#) (produced for the Vermont Public Service Department)
- Financial and energy counseling from [GreenSavingSmart](#)
- On-bill financing for weatherization via the [Weatherization Repayment Assistance Program \(WRAP\)](#)
- Loan programs for purchasing clean heating equipment via [VSECU](#) and [Opportunities Credit Union](#)
  - ➔ *Example: Below market rate financing (as low as 0%) for clean heating projects.*

**\* 2026 is the earliest the Clean Heat Standard will take effect. For that to happen, a second vote of the legislature would have to occur in 2025.**

In the meantime, there will be numerous additional opportunities for voices to be heard and a wide range of economic and environmental issues to be carefully and thoroughly studied at the PUC prior to the program being finalized. The PUC will have to deliver two comprehensive “check-back” reports to the legislature in 2024 and 2025 and also propose rules to the legislature by 2025. The legislature can then adjust the program based on those studies and public input and must give further specific authorization before Clean Heat Standard compliance obligations for fossil fuel importers go into effect.

**\* Once the Clean Heat Standard takes effect, the Public Utility Commission (PUC) will have a “circuit breaker” available to help control fossil fuel price impacts,** allowing the PUC to reduce annual clean heat credit requirements applicable to fossil fuel importers for “good cause.” Good cause may include “a shortage of clean heat credits, market conditions as identified by the Public Service Department’s potential study, or undue adverse financial impacts on particular customers or demographic segments.”