

February 22, 2022

House Committee on Energy and Technology  
Vermont House of Representatives

Dear Chair Briglin and Members of the Committee:

As the Committee seeks to conclude work on legislation creating a Vermont Clean Heat Standard, we are writing to urge the Committee to ensure that key issues and concerns raised during the development of this legislation are addressed.

The Clean Heat Standard has the potential to help meet the mandates in Act 153 by encouraging the existing workforce and thermal energy businesses to sell fuels and offer services that improve efficiency and reduce greenhouse gas emissions in Vermont. As we are all aware, responsible legislation and regulation addressing climate change and related issues require balance between effective greenhouse gas reduction and related measures and avoiding undue or unnecessary social and economic harms. We firmly believe that such balance is not only critical but also achievable.

While the programs and regulations envisioned in a Clean Heat Standard have the potential to address climate goals, they also have the potential for negative consequences through rate impacts or other effects. To help ensure that any Clean Heat Standard maximizes benefits while minimizing harms, we strongly urge the Committee to address three key points that have been raised during the Committee's and preceding work:

- Clearly identify and consider the potential range of rate impacts of the bill and include cost safeguards.
- Direct the Public Utility Commission to consider and address potential social and economic impacts to mitigate and minimize negative consequences.
- Require programs and regulations proposed by the PUC to be reviewed by this and other committees of jurisdiction and be formally approved by the Legislature before going into effect.

We believe that these steps are a critical and necessary part of helping to ensure that policies resulting from this legislation are both effective and balanced to mitigate potential unnecessary and unwarranted harm. We also recognize that a full legislative review is necessary, given that the scope and effectiveness of the Legislative Committee on Administrative Rule's statutory authority and power is severely limited in identifying and acting on the kinds of issues cited above.

We appreciate your consideration and attention to these issues and recommendations, and look forward to the continued work on this legislation. If you have any questions or wish to discuss this further, please do not hesitate to contact us.

Sincerely,

Associated Industries of Vermont  
Barre Granite Association  
National Federation of Independent Business/VT  
Vermont Chamber of Commerce  
Vermont Farm Bureau

Vermont Fuel Dealers Association  
Vermont Retail & Grocers Association  
Vermont Truck & Bus Association  
Vermont Vehicle & Automotive Distributors  
Association