

Dirty Claims About Clean Heat

Rep. Scott Campbell, Caledonia-Essex

Agency of Natural Resources (ANR) Secretary Julie Moore, speaking on behalf of Governor Phil Scott's Administration, recently laid out a claim unsupported by facts, expert projections, and even her own comfort level.

Secretary Moore testified before the Senate Natural Resources & Energy committee that the Affordable Heat Act (AHA) might add "70 cents" to heating fuel, adding that this "back-of-the-envelope ... is really rough math.... I could easily be off by a factor of two."

But proponents of slowing work on climate change immediately seized on that number, as she and the Administration must have known they would. They are using it to stoke fear and deflect the urgency of dealing with the impacts of a destabilized climate, the global energy transition, and the economic consequences for Vermont.

The Secretary's number is spectacularly wrong — too high by what could be a factor of twenty, rather than two, according to independent professional analyses.

Unfortunately, rhetoric notwithstanding, the episode illustrates this Administration's reluctance to follow the science and take meaningful action to prepare Vermont for the inevitable.

The Governor vetoed the Global Warming Solutions Act (GWSA) in 2020, claiming it would illegally delegate legislative authority to ANR. The Legislature disagreed and overrode his veto, creating the Climate Council, which released the initial Climate Action Plan (CAP) 14 months ago. The CAP's primary recommendation in the heating sector was for the Legislature to craft a Clean Heat Standard bill.

The Legislature did so in the 2022 session. The Governor also vetoed that bill, this time claiming the costs and details were not well enough known. Override failed by one vote.

The urgency, by the way, is not that Vermont is going to stop global warming — obviously not. The urgency is that *economic* impacts will overwhelm us unless we take action now.

There is much to be done: more intense and frequent storms require resilient roads, culverts, electric grids, and emergency shelters. Car makers' pivot to electric vehicles (EVs) requires building out a charging network and grid upgrades. Weatherization and heat pumps promise better comfort as well as efficiency, but require workers and investment.

These impacts are hitting Vermont now, ready or not. More are on the way, as world and national economies transition from near-total reliance on fossil fuels. The pandemic and the war in Europe showed how supply and demand imbalances spike retail prices. As the transition proceeds, imbalances will continue. Ultimately Federal limits on fossil fuel pollution are inevitable.

The economic impacts of climate change on Vermonters are just beginning. Reducing dependence on price-volatile fossil fuels in housing and transportation is especially critical for rural and lower-income households.

Right now, that means lowering barriers to EVs, weatherization, heat pumps, and pellet boilers. Long-term, these are more economical and better in almost every way. But upfront cost is a hurdle, and fossil-fuel-powered options have a hundred years' economies-of-scale head start.

In the heating sector, the Affordable Heat Act is how we overcome the hurdles. It builds on last year's bill and responds to criticisms with greater clarity and more explicit focus on rural and low- and moderate-income households.

It works by creating a market that favors more affordable, more price-stable, less polluting heating investments. Weatherization and non-fossil heating equipment installations earn "clean heat" credits, which large distributors that import fuel into Vermont purchase to satisfy their obligations to help reduce pollution caused by their product. The value of the credits depends on the longevity of the improvements, and effectively reduces the upfront cost to the consumer.

Exaggerated and unfounded claims by critics notwithstanding, that's really the long and the short of it. The AHA harnesses the power of the marketplace toward a public good rather than leaving it to be driven solely by private profit.

Nobody is forced to get weatherized or buy a heating system, but if you do, a fuel importer will help pay for it. The only "obligated parties" are the fossil-fuel importers, which until now have not been required to take responsibility for the climate-altering effects of what they sell.

Will the AHA impact fuel importers? Yes, but far less than the global market rollercoaster they deal with now. Local dealers? It doesn't impact them directly, but it does offer a pathway for them to provide more diversified heating services.

The fact is, nothing is free. Everything has consequences and costs. We know the consequences of our "addiction to oil," as President George W. Bush called it. Destabilizing global climate is about as big a consequence as there is. We can act now in a planned and incremental way, or fool around until the next devastating storm, or economic shock, or Federal edict presents a crisis.

Vermont's future economic viability is at stake. Foot-dragging isn't protecting Vermonters' pocketbooks, it's prolonging our vulnerability.