



Climate Package for the FY2020 Budget

Overview

The House Committee on Appropriations is currently putting together the budget for FY20 and the next week will be crucial to ensuring that key elements of our goals are included in the budget. While many of our policy recommendations can be accomplished through the regular legislative process (introducing and passing bills in both chambers for the Governor's final sign off), the budget presents a key funding opportunity for both weatherization and electric vehicles (EVs). We are not honoring our state's climate commitments and this will bring us one step closer - we urge you to talk to your legislators and [attend a public hearing](#) near you to speak up on these key issues!

I. Weatherization

Weatherizing our homes and businesses in Vermont is an urgent need for our economy, affordability, and our climate. Weatherization supports thousands of jobs, saves Vermonters millions of dollars every year, and is a foundation of our state's comprehensive energy plan. The governor's own Climate Action Commission recommends that we double the number of low income homes weatherized per year starting in 2020 and Scott himself outlined the importance of weatherization in his state of the state address in January. Our ask is simple –**provide enough funding to double the number of homes of Vermonters who are low or moderate income weatherized each year from 2,000 to 4,000 homes, starting with at least \$5.5 million in the budget next year.**

II. Electric Vehicles

The settlement funding we received when Volkswagen (VW) was forced to pay for their deceptive practices is a real opportunity for the transportation sector in the state. VT received \$18.7 Million from the federal VW settlement, and more recently we also received an additional \$4.5 million from separate, state settlements. Since these settlements stemmed from deceptive practices and pollution in the transportation sector, we should be putting this money to work advancing zero-emission vehicles - EVs. Please urge the House Appropriations Committee to:

- a. **Spend ALL of the federal settlement dollars (\$18.7 million) on electrification**, with 85% of that money going to heavy duty vehicles (buses and trucks), and 15% going towards light-duty charging infrastructure (this is the max allowed in the settlement terms).
- b. **Spend ALL of the state settlement dollars (\$4.5 million) on electrification of "light-duty vehicles" (everyday, passenger vehicles)**, creating an incentive program that helps Vermonters, especially Vermonters with lower incomes, transition to more efficient electric or used hybrid cars.

Heating and transportation are two sectors that significantly contribute to the state's greenhouse gas emissions – funding for weatherization and vehicle electrification would be a critical step towards tackling Vermont's contribution to climate change. We thank you for speaking up on these important issues!

FREQUENTLY ASKED QUESTIONS (FAQ)

Why focus on weatherization?

- **Weatherization keeps money in our state's economy.** According to the Energy Action Network's 2018 Annual Report, 78 cents of every dollar spent on fossil fuels leaves Vermont, equating to nearly \$1.5 billion per year. According to the 2018 US Energy and Employment Report, over 10,900

Vermonters are employed in energy efficiency, with over half working in construction, manufacturing, and trades. Weatherization helps keep more money in state and supports local jobs in the building trades.

- **Weatherization helps Vermonters with lower incomes.** Many Vermonters spend over \$2,000 per year to heat their homes. For those living in fuel poverty, this can equal 5-10% of their annual incomes, or more. This funding will specifically target low-income households, and will also help those with moderate incomes weatherize their homes.
- **Weatherization reduces carbon pollution.** Currently, about 80% of Vermont's heating comes from fossil fuels. Weatherizing an additional 60,000 homes (as required by statute) would keep millions of tons of carbon dioxide out of the atmosphere.

How much will it cost to double our weatherization spending? Where's the money coming from?

- In order to double the number of low and moderate income housing units weatherized every year from 2000 to 4000, VPIRG and our allies have calculated a need for roughly \$11 million in additional funding every year. Some of that funding would go to the Low Income Weatherization Program, which provides fully paid-for weatherization for Vermonters who are low income, and some would be directed to assist moderate income Vermonters who have few options today. We support this funding coming from fuel and gross receipt's tax income, and are proposing \$5.5 million in additional funding in FY20 (the next budget year) to set us on a path to that doubling.

Why focus on the transportation sector?

- Transportation choices, and access to more efficient solutions, will help the most vulnerable Vermonters. Transportation plays a critical role in terms of access to and the ability to hold a good job. A recent report concluded that "possession of a driver's license and a car was a stronger predictor of leaving public assistance than even a high school diploma."¹
- Only 5 percent of the energy used for transportation in Vermont comes from renewable fuels. Vermont has the opportunity to deploy a diverse set of strategies such as: walkable communities, more options to take the bus, ride a bike, walk or use rail. Given that VT is rural, however, EVs charged by renewable electricity will be a big part of the equation if we are to actually achieve our climate commitments.

Aren't EVs expensive?

- As with non-EVs, there is a range of EV prices and the growing list of companies introducing EVs and models is making the market more competitive. Prices are also dropping quickly as battery technology rapidly advances. A recent Bloomberg report estimates that upfront costs of EVs will be on par with, or cheaper than, non-EVs by 2024 on an unsubsidized basis.
- Some current models that are competitively priced include:
 - Chevrolet "Bolt" – MSRP: \$36,600
 - Hyundai "Ioniq" – MSRP: \$33,315 and "Kona" – MSRP: \$35,450
 - Kia "Soul" – MSRP: \$33,950
 - Nissan "Leaf" – MSRP: \$29,990

In addition, Ford recently announced the electric Ford F-150, and there are several dozen additional models planned from most major auto companies in just the next few years. Car manufacturers recognize that EVs are vital as we look to tackle climate change.

¹ <https://www.sierraclub.org/wisconsin/newly-released-arrive-together-transportation-access-and-equity-wisconsin>