



March 16, 2016

Dear Representatives Johnson, Ancel and members of Appropriations and Ways & Means,

In the waning days of the winter that never was, and on the heels of the two warmest years on record, there is a timely and important opportunity for the Legislature to increase support for a program that plays a pivotal role in Vermont's essential response to climate change – Low-Income Weatherization, funded by the Gross Receipts Tax (GRT).

The GRT has been the state's primary funding source for thermal energy efficiency, in particular to help low-income Vermonters reduce their energy use and energy costs. Efficiency is one of the best investments the state can make to help people stop wasting energy and start saving money – particularly for those who need it the most. Every dollar invested in low-income weatherization results in approximately a \$2.50 return to the household and community. Efficient homes also use significantly less fuel oil each year, on average about 150-200 fewer gallons annually, reducing the energy cost burden on struggling Vermonters, while also reducing the state's collective reliance on damaging fossil fuels. Efficiency is one of the most important strategies Vermont can embrace to help combat climate change.

Despite all of these benefits, the Community Action Agencies and the Northeast Employment and Training Organization, which manage the state's low-income Weatherization Assistance Programs, have already had to lay off 65 skilled Vermont workers due to a decrease in total funding for Weatherization. Trucks and other equipment also sit dormant as a result of budget reductions. And the waiting list of low-income Vermonters who are eager to take advantage of weatherization – already months or even years long across the state – is about to get even longer without legislative action.

There are three important issues at play. First, due to falling GRT revenues this year (because of the recent lower cost of heating oil) the program faces a budget shortfall. Combine that with the fact that the state no longer receives significant dollars previously available from the American Recovery and Reinvestment Act and the CVPS/GMP merger, it means the programs

are facing a 30% reduction in their weatherization budgets. Third, a loophole in existing statute for Liquefied Natural Gas means that fossil fuel companies are pocketing thousands while low income Vermonters are struggling to keep warm every winter. The Legislature must act this year to increase revenues for low-income weatherization and close this troubling loophole.

Failing to invest in weatherization not only undermines the state's economy, it also flies in the face of Vermont's 2008 statutory energy efficiency and greenhouse gas reduction goals, which aimed to make one-quarter of the state's housing stock 25% more energy efficient by 2020 (representing a target of 80,000 homes; 20,000 of which are low income). To achieve these goals, and to realize the significant social, economic and planetary benefits from investing in efficiency, the state must renew its commitment to this successful program this year.

To that end, we are writing today to respectfully request that the Legislature increase the gross receipts tax by 0.5%, which will help return the program to the \$12 million funding level of several years ago, and set us on a better path toward realizing the state's statutory goals.

We know efficiency pays off in many ways. We urge you to support expanding the state's Gross Receipts Tax and explore other possible options to keep this program successfully funded now and over the long term.

Thank you for your consideration and your ongoing service to Vermonters.

Sincerely,

Johanna Miller, *Vermont Natural Resources Council*
Sandy Levine, *Conservation Law Foundation*
Lauren Hierl, *Vermont Conservation Voters*
Dan Barlow, *Vermont Businesses for Social Responsibility*
Robb Kidd, *Sierra Club*
Austin Davis, *350Vermont*
Ben Walsh, *Vermont Public Interest Research Group*

Cc: House Speaker Shap Smith