

From: Coriell, Scott [Scott.Coriell@state.vt.us]
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To: Coriell, Scott
Subject: Gov. Shumlin Weekly Op-Ed

Please find below Gov. Peter Shumlin's weekly op-ed. Let me know if you have any questions.

Thanks,

Scott Coriell
Office of the Governor
(802) 353-1449

An Energy Innovation Program for Vermont Governor Peter Shumlin

Pursuing clean energy policies in Vermont isn't just about doing what is right for our environment and protecting our unrivaled quality of life. A thriving clean energy sector is also integral to our economy, keeping young people in Vermont, and making the state a more affordable place to live. That is why I feel so strongly that we must lead on creating a clean energy economy based on Vermont values. If we do so, we will add to the 15,000 jobs already supported by the clean energy industry, help homeowners save hundreds of millions on energy costs, and do our part to help combat climate change.

It's clear that the energy world is changing. Gone are the days when the business model of utilities relied on selling customers more and more energy from distant centralized plants, no matter the source. Today, utilities understand that their customers are becoming more conscious about how much energy we use and where it comes from. The goal now is to figure out how we use less energy, and how we increase the use of cleaner energy. That change in attitude provides us an incredible opportunity.

The Energy Innovation Program (EIP) I proposed in my Inaugural Address will position us to take advantage of this opportunity, helping to create jobs, keep young Vermonters here in the state, save Vermonters money on energy bills, and do what's right for the environment.

The EIP will do this by encouraging utilities to help Vermont homeowners use less energy and save money. Modeled after a program Green Mountain Power has pioneered, the EIP will encourage utilities to help Vermonters retrofit their homes with solar panels, heat pumps, and energy efficient lights and appliances. There will be no upfront costs for these improvements. Instead, Vermonters will pay for them on their energy bills with the savings created by the efficiency work. As the improvements are paid off, Vermonters will see their energy costs and consumption steadily decline.

The EIP will also encourage utilities to generate power locally from clean sources by setting achievable targets for more community scale renewable energy, including customer-sited net

metering projects. Under the EIP, utilities will be required to provide customers with 55 percent of their energy from renewable sources in 2017, rising to 75 percent by 2032. The EIP will also set a subset target for distributed renewable energy projects, starting with 1 percent of sales in 2017 and rising to 10 percent by 2032. That target would mean more solar on our roofs, and more community-scale renewable projects. Lastly, the EIP will encourage the adoption of new clean technologies as they arrive on the market, making Vermont a destination for energy research and development.

Through the development of more renewable energy and efficiency projects, the EIP will give a boost to a promising clean energy sector that already supports 15,000 jobs for Vermonters. Just recently, I joined a clean energy technology company out of Middlebury called Faraday that announced it will be adding 20 good-paying jobs after securing nearly \$2 million in capital investments. Those are jobs that young Vermonters want, and they're based right here at home. This is just one of many growing Vermont companies that are making our state a leader in this field. In 2013, for example, Vermont lead America with the most solar jobs created per capita. That's progress we can and will build on with the EIP.

Over its lifetime, the EIP will is set to provide over 1,000 new jobs for Vermonters. It will also provide a net benefit for ratepayers and a net savings of over \$275 million in reduced energy costs for Vermonters. And it will provide approximately 15 million metric tons of greenhouse gas emissions reduction, equivalent to about a quarter of the amount necessary to be on track for our 2050 state goal.

I am grateful that Representative Tony Klein and Senator Chris Bray have introduced legislation that would build on these proposals. They are both joined by cosponsors, and I appreciate the work the House and Senate Committees on Natural Resources and Energy have already done in shaping and improving the legislation.

We have an incredible opportunity to make Vermont the clean energy leader and reap the job growth, energy savings, and carbon emissions reduction benefits that will come with it. I look forward to working with the legislature this session to make that opportunity a reality for our state.