

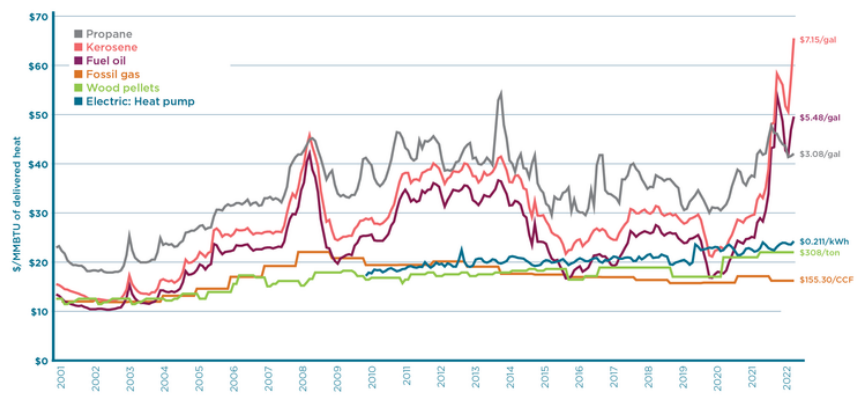
The Affordable Heat Act:

Cutting Costs, Cutting Pollution

The Affordable Heat Act will help Vermonters reduce dependence on high-cost, price-volatile, and polluting fossil heating fuels. Generally speaking, the most expensive heat is fossil heat and the most affordable, price-stable heat is clean heat. That is why the clean heat services that could result from the Act by 2030 are estimated to reduce the overall heating costs of Vermonters by \$2 billion, or an average of \$7,500 per household.^[1] The Act does this by establishing a Clean Heat Standard that will require corporations that import fossil heating fuels into Vermont to reduce pollution over time, in line with Global Warming Solutions Act requirements. To do so, fossil fuel importers will have to deliver or pay for cleaner heat options -- in particular for lower and middle income Vermonters -- and especially with solutions that cut costs over time, like weatherization, heat pumps, and advanced wood heat.

Fossil heating fuels like fuel oil, propane, and kerosene are high-cost and price-volatile while cleaner heat options like heat pumps and wood heat are lower-cost and more price-stable.

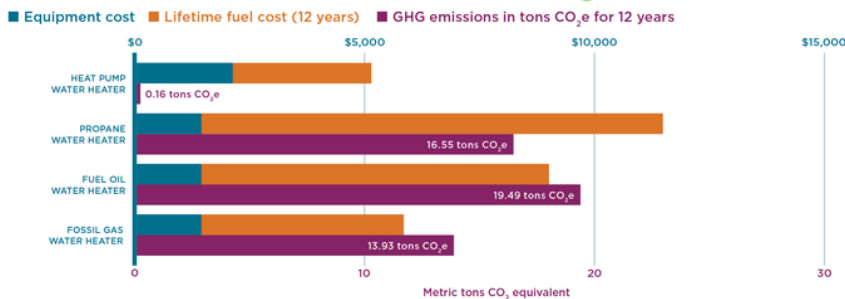
Cost comparison of different heating fuel options over time



Sources: Fuel Oil, Propane, Kerosene, Wood Pellets: VT Department of Public Service, Fuel Price Report, 2021. Fossil Gas, Electricity: EIA, 2021. Note 1: Electricity prices presented here are a statewide average. Electricity prices vary by utility territory. Note 2: The reason propane can be more expensive per MMBTU than fuel oil but less expensive on a per gallon basis is because propane has a lower energy content per gallon. Propane's energy content is only 66% that of fuel oil, by gallon (EIA).



Costs and emissions from home water heating

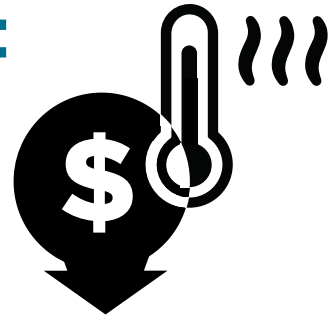


Notes: Fuel costs used were the May 2022 Green Mountain Power rate of \$0.177/kWh, the average of the 2021/22 heating season for propane at \$3.16/gallon, fuel oil at \$3.61/gallon, and wood pellets at \$300/ton, and the listed rates for fossil gas from VGS for Aug 2022. Sources: For CO₂e values of VT electricity and wood pellets: Vermont Agency of Natural Resources, 2021. For fossil fuel CO₂e values: EIA, 2022. For fuel costs: PSD, 2022. For electricity rates GMP 2022. Equipment pricing from the TAG TRM where available. Additional pricing sources can be shared on request.



Cleaner options like electrification and weatherization save Vermonters money.

The Affordable Heat Act will:



Provide more affordable heating options for Vermonters, especially for lower- and middle-income Vermonters.

- Affordable, clean heat services are required to be progressively provided to Vermonters with low and moderate incomes, mostly in the form of additional financial support to help Vermonters weatherize their homes and install solutions like heat pumps and advanced wood heating.

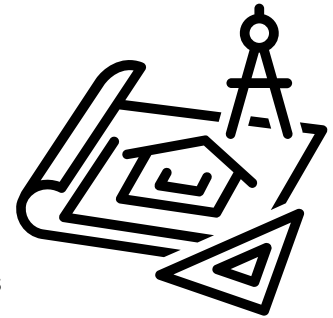


Hold corporations that import fossil fuels to a standard, just like other energy providers (and as other states do).

- Vermont has long set performance standards for our electric utilities to meet for efficiency and renewables. The Affordable Heat Act would finally hold fossil fuel providers to a standard as well, providing a clear, predictable pathway for them to transition beyond fossil fuels. This policy is a tried and true way to reduce emissions in a cost-effective, equitable way, as proven by Oregon, California, Washington, and other jurisdictions.

Create a blueprint for Vermont fossil fuel heating providers to deliver more clean, diversified, affordable heat to their customers.

- Vermont's fuel dealers have long helped keep Vermonters warm and safe. This policy is aimed at creating a roadmap to support Vermont's heating fuels sector in moving towards the next chapter in their story – of first selling ice, then coal, then other fossil fuels, and then less fossil fuel as equipment and homes became more efficient. The market created by this bill will help fuel dealers transition from just delivering fossil fuels to a broader business opportunity of keeping their customers warm with cleaner, more affordable heating options.

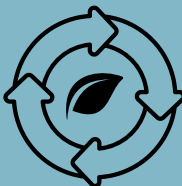
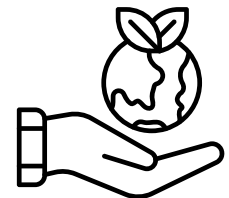


Meet Vermonters where they are.

- Vermonters will have more choices about how to heat their homes and buildings affordably and cleanly. However, the Affordable Heat Act is a requirement on fossil fuel importers into Vermont: not on individuals. Vermonters can continue to choose whichever heating option(s) work best for them.

Ensure Vermont is doing our part to reduce climate pollution, in line with Global Warming Solutions Act requirements.

- The Affordable Heat Act would establish a Clean Heat Standard – the #1 pollution reduction recommendation made by the Vermont Climate Council – thereby reducing thermal sector emissions 40% by 2030 and 80% by 2050.



Assess heating options based on their lifecycle greenhouse gas emissions.

- Rigorous and verifiable emissions accounting will ensure that only truly lower-emitting heating options are eligible for clean heat credits. This will exclude some biofuels.

More details and FAQ are available at <https://www.eanvt.org/affordable-heat-FAQ>

[1] Marginal Abatement Cost Curves report for the Vermont Climate Council:
<https://outside.vermont.gov/agency/anr/climatecouncil/Shared%20Documents/MAC%20Curve%20Deliverable%20Memo%20Clean%20Version.pdf>