

1 H.372

2 Introduced by Representatives Ellis of Waterbury, Chesnut-Tangerman of

3 Middletown Springs, Potter of Clarendon, Bissonnette of

4 Winooski, Burke of Brattleboro, Eastman of Orwell,

5 McCormack of Burlington, and Russell of Rutland City

6 Referred to Committee on

7 Date:

8 Subject: Conservation and development; commerce and trade; forests, parks

9 and recreation; carbon offsets

10 Statement of purpose of bill as introduced: This bill proposes to enable the
11 Department of Forests, Parks and Recreation to sell carbon offsets from State
12 lands in regulatory carbon programs that place a limit on the amount of total
13 greenhouse gas emissions produced by the regulated industry, if the results of a
14 feasibility study demonstrate a positive net return from participating in such a
15 program.

16 An act relating to allowing the selling of carbon offsets from State land in
17 regulatory carbon markets

18 It is hereby enacted by the General Assembly of the State of Vermont:

1 Sec. 1. 10 V.S.A. § 2606c is added to read:

2 § 2606c. CARBON SEQUESTRATION; SALE OF CARBON OFFSETS;

3 ENROLLMENT OF STATE LANDS IN COMPLIANCE CARBON

4 MARKETS

5 (a) Definitions. As used in this section:

6 (1) “Compliance carbon market” means a market for the creation and
7 trading of carbon offsets to meet a regulatory program at the State, regional, or
8 national level that places a limit on the amount of total greenhouse gas
9 emissions produced by the regulated industry, such as the California
10 Cap-and-Trade Program and the Regional Greenhouse Gas Initiative described
11 in 30 V.S.A. § 255.

12 (2) “Feasibility study” means the study required under subsection (b) of
13 this section.

14 (3) “Study area” means the portion of land, not to exceed two
15 state-owned parcels of land, used to conduct the feasibility study.

16 (4) “Voluntary market” means the creation, trading, and retirement of
17 carbon offsets that occur outside compliance markets.

18 (b) Feasibility study. The Department shall conduct a feasibility study to
19 determine whether enrolling State lands in compliance carbon markets is a
20 prudent investment of funds from the Electric Efficiency Fund established

1 under 30 V.S.A. § 209(d)(3) and will further Vermont's greenhouse gas
2 emission reduction goals stated in section 578 of this title.

3 (1) Authorization of funds. The Department may use a sum not to
4 exceed \$100,000.00 from the sale of carbon credits under 30 V.S.A. § 255 to
5 develop and implement the feasibility study and pay the listing fee to list the
6 study area in a compliance carbon market.

7 (2) Scope. The Department shall complete the feasibility study within
8 two years of the effective date of this act. The study shall include:

9 (A) an inventory of the current carbon stock within the study area;

10 (B) estimates of potential revenues that would result from the
11 enrollment of the study area in a compliance market;

12 (C) estimates of the value of carbon offsets from the study area;

13 (D) an evaluation of the compatibility of carbon offset development
14 and sales with timber harvesting;

15 (E) potential regulatory risks; and

16 (F) a comparison of the benefits and risks associated with
17 participating in voluntary markets in addition to or in lieu of compliance
18 markets.

19 (c) Study of additional offset projects. In addition to the feasibility study,
20 the Department shall explore the following potential offset projects:

1 costs from the feasibility study for enrolling carbon offsets in compliance
2 carbon markets shall be deposited into the Electric Efficiency Fund established
3 under subdivision 209(d)(3) of this title. These funds shall be used by the
4 entity or entities appointed under subdivision 209(d)(2)(B) of this title to help
5 meet the building efficiency goals established under 10 V.S.A. § 581 by
6 delivering heating and process-fuel energy efficiency services to Vermont
7 consumers who use such fuel.

8 * * *

9 Sec. 4. EFFECTIVE DATE

10 This act shall take effect on passage.