



July 23, 2023

State of Vermont Public Utility Commission
Case No. 23-2220 RULE
Act 18 of 2023 - Affordable Heat Act

These comments are submitted on behalf of Clean Fuels Alliance America (Clean Fuels), formerly the National Biodiesel Board. Our name change reflects our embrace of all the products our members and the U.S. industry are producing, which include biodiesel, renewable diesel, sustainable aviation fuel, Bioheat[®] fuel for thermal space heating and maritime and railroad fuels. Clean Fuels members play an important role in displacing petroleum, improving public health, and protecting the environment. Many members are members of environmental organizations and are supportive of state and local initiatives to achieve a sustainable energy future.

Clean Fuels urges the State of Vermont Public Utility Commission to support a sensible Affordable Heat Act (AHA) – leveraging the experience gained under California’s Cap & Invest program, as well as its Low Carbon Fuel Standard (LCFS) which while geared to the transportation sector, provides a solid basis for designing the AHA. The VT Affordable Heat Act’s singular focus on thermal heat can reduce GHG and co-pollutant emissions if designed correctly from an obligation, accounting, and reporting standpoint.

Clean Fuels looks forward to being an active participant in these proceedings, and at this very early stage in Vermont’s design questions to inform the Affordable Heat Act, our comments will focus on the first stage requests relative to (1) the efficiency and transparency of the process, (2) other topics that may need to be considered, and (3) the establishment of the Technical Advisory Group and the Equity Advisory Group.

The Efficiency and Transparency of The Process

Clean Fuels has been an active participant in numerous proceedings aimed at eliminating the use of fossil fuels in both the transportation and thermal heat sectors. These proceedings include activities in the states of California, Oregon, Washington, Minnesota, Maryland, New York, Connecticut, Rhode Island, and Maine, as well as other states.

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Efficiency and Transparency of any public proceeding is of utmost importance. In several other states, we have encountered processes which seek public comment and hold public meetings, but also hold private meetings with select stakeholders where policies are decided and are then presented and “discussed” publicly at the time of final consideration. In those cases, the ability for regulators to consider real input in a public process was limited. We would also note that transparency should also include access to the appointed Advisory Group members; as we encountered in some other states, the members could choose to ignore requests for meetings and/or informational sessions.

The point being is that persons who accept public appointments to governmental Advisory Boards should be required to make themselves available to stakeholders as a means of informing themselves of all viable options and opinions, not just those that they believe are viable or correct.

Other Topics That May Need to Be Considered

In reviewing the design, implementation and enforcement of the Clean Heat Standard as outlined in this proceeding and Act 18, Clean Fuels views the topics outlined as comprehensive in nature. We would comment on three items that need careful consideration:

- (1) In determining standards for this program, as outlined in Act 18, it is important to consider a transparent, verifiable, and accurate accounting measure for the reporting of GHG emissions. As such, Clean Fuels recommends, as per *Section 8127 (g) (1) – Emissions Schedule* – that Vermont base its schedule on the Argonne National Laboratory GREET Model and/or United Nations International Panel for Climate Change (IPCC) modelling, and NOT rely on a locally developed alternative of compatible analytical rigor that is not tested or recognized by most jurisdictions in the United States and worldwide. Variance from well-established GHG accounting methodologies can result in significant and unintended consequences. For instance, the New York State Climate Action Council recommended their own version of GHG accounting, and upon applying such standards the New York State Department of Environmental Conservation and the New York State Energy Research & Development Authority (NYSERDA) have found the methodology to be an impediment to consumer cost factors as well as reporting reliability in comparing it’s GHG emissions to other jurisdictions. There is now a discussion in New York to change the accounting methodology.

- (2) Clean Fuels would also recommend that as per *Section 8127 (d) (9) – List of Eligible Measures - Supply of sustainably sourced biofuels*, the state of Vermont fully consider the applicability of biodiesel and renewable diesel as renewable liquid replacements for fossil diesel which provide a 74% on-average GHG emission and co-pollutant reduction versus the fossil diesel they replace. Because section 8127 already identifies a number of strategies/technologies as “eligible measures,” we recommend section 8127(d)(9) be modified to, “the supply of sustainably sourced biofuels, such as biodiesel and renewable diesel (but not including palm-derived biofuels).”

The Establishment of The Technical Advisory Group and the Equity Advisory Group

As previously noted, Clean Fuels has been an active participant in the proceedings in many states, with expertise in government policy rulemaking and environmental science.

As the Vermont considers the eligible participants for both the Technical Advisory Group, Clean Fuels would like to offer the following three recommendations for parties who have expertise in the areas of technical and analytical expertise in measuring lifecycle greenhouse gas emissions, energy modeling and data analysis, and sustainability and non-greenhouse gas emissions strategies designed to reduce and avoid impact to the environment:

Floyd Vergara, Esq., P.E.

Mr. Vergara serves as the Director of State Governmental Affairs for Clean Fuels Alliance America. In this capacity, he manages a team of professionals responsible for government affairs in all 50 states. Before joining Clean Fuels, Mr. Vergara served as Chief and Assistant Chief in the Industrial Strategies Division and Research Division at the California Air Resources Board (CARB). With over 32-years of service to CARB, his expertise includes the development of the design methodology, rules and regulations for California's Low Carbon Fuels Standard, Cap & Trade Program, climate change and air quality programs, renewable and conventional fuels, environmental justice, and other environmental issues. Mr. Vergara is a licensed Professional Engineer with a BS in chemical engineering from the University of California, Berkeley, and a licensed attorney with a JD from the University of the Pacific, McGeorge School of Law.

Veronica Bradley, J.D.

Veronica Bradley serves as Director of Environmental Science for Clean Fuels Alliance America where she leads the advancement of education and research on the climate and public health benefits of bio-based diesel and sustainable aviation fuels. In this role, Veronica educates relevant stakeholders on the environmental benefits of clean fuels and works with industry to identify and execute on relevant research needs. This work ensures feedstock and producer members' products are accurately assessed for their climate benefits and are appropriately accounted for in reporting by end users and policymakers.

Prior to joining Clean Fuels Alliance America, Veronica was Director of Environmental Affairs at Airlines for America where she assisted in environmental advocacy activities relating to aircraft and airline operations. She was previously a Research Associate at ICF where she supported the Climate Change and Stratospheric Ozone Protection Divisions for the U.S. Environmental Protection Agency. A Michigan native, Veronica received her Bachelor of Arts degree with distinction from the University of Michigan in 2007 and a Juris Doctor magna cum laude from American University Washington College of Law in 2014.

Michael Wang, PhD

Michael Wang is an Argonne National Laboratory Distinguished Fellow, Senior Scientist, the Director of the Systems Assessment Center, and interim director of the Energy Systems and Infrastructure Analysis division. He has been with Argonne since 1993. Dr. Wang's research areas include:

- Evaluation of energy and environmental impacts of vehicle technologies, transportation fuels, and energy systems
- Assessment of the market potentials of new vehicle and fuel technologies
- Examination of transportation development trends in emerging economies

Michael Wang has led the development and applications of Argonne's GREET (Greenhouse gases, Regulated Emissions, and Energy use in Technologies) model for life-cycle analysis of vehicle technologies, transportation fuels, and other energy systems. His work in the life-cycle analysis area has been used by government agencies and industries, and cited extensively in research and academic fields. As of 2023, there are more than 55,000 registered GREET users worldwide. Dr. Wang has worked closely with governmental agencies, automotive companies, energy companies, universities, research institutions, and nongovernmental organizations (NGOs) in the United States, China, Brazil, Canada, Japan, and Europe to address energy and environmental issues related to the transportation sector and energy systems.

Jointly, Dr. Wang is faculty associate at Consortium for Advanced Science and Engineering at the University of Chicago and a senior fellow in the Northwestern Argonne Institute of Science and Engineering of Northwestern University. He is a fellow of the International Society of Automotive Engineers. He is an associate editor of Biotechnology for Biofuels and on the editorial boards of Automotive Innovation, Frontiers of Energy and Power Engineering in China, and Mitigation and Adaptation Strategies for Global Changes. He has more than 300 publications.

Conclusion

Clean Fuels appreciates the state of Vermont's engagement efforts at this early stage of the Affordable Heat Act program's development and supports adoption of a Clean Heat Standard modeled closely after similar programs for the transportation sector, as discussed above. We look forward to continuing our collaboration with the Vermont Public Utility Commission in developing this and related programs.

Sincerely,



Floyd Vergara, Esq., P.E.

Director of State Governmental Affairs