

Ordinance Committee
Thursday, September 21, 2023 at 5:30PM
Remote via Zoom

DRAFT MINUTES

Members Present: Councilor Traverse (Chair), Councilor Carpenter, Councilor Hightower, Councilor Shannon

Staff Present: Kim Sturtevant (Assistant City Attorney), Darren Springer (BED General Manager), Chris Burns (BED), Jen Green (BED)

Public Present: Steve Goodkind, Ashley Adams, Connor Wentz, Dylan Gianbatista, Erik Lohr, Jack Hanson, Karen Vastine, Nick Persampieri, Phil Merrick, Pike Porter, Sharon Bushor, Spencer, David Kelty, Owiso Makuku

Meeting called to order at 5:34 PM.

1. Adopt the Agenda

1.01 Adopt the Agenda

Motion to Adopt Agenda amended to place the BED presentation prior to public comment.

Motion by Councilor Hightower, Seconded by Councilor Carpenter.

Final Resolution: Motion Passes

Yes: Unanimous

2. Adopt Draft Minutes from June 28th

2.01 Adopt Draft Minutes from June 28th

Motion to Adopt Minutes from June 28th, 2023.

Motion by Councilor Hightower, Seconded by Councilor Carpenter.

Final Resolution: Motion Passes

Yes: Unanimous

3. Public Comment (30 minute cap)

3.01 Public Comment

Steve Goodkind: I want to talk about one type of fuel that is exempt from the fee in the ordinance: renewable gas. I was a public works director so I have some experience with this. There is nothing renewable about it and is simply generated from landfills. Are we solving this gas issue from landfills by using it as a fuel? Trees do grow back and are part of the carbon cycle, but renewable gas should not be exempt from the fees and should be treated similarly to natural gas.

Sharon Bushor: I support this ordinance and hope that the impact fee can assist low-income residents to transition off of fossil fuels. I had some difficulty following the process on how organization can state that this fee would affect them economically. I would hope that there

could be a communication that goes with this ordinance that details how an organization could justify their economic challenge with paying this fee. I would also like to know who would decide on these questions.

Nick Persampieri: I sent some public comments in writing before this meeting to the Committee. I am against incentivizing the use of wood biomass heating, liquid biodiesel, renewable natural gas, and green hydrogen. None of these types of heating will help us meet our climate goals. I sent a markup to eliminate these from the permissive uses. I understand the City can't impose fees on fuels other than fossil fuels and it would have to be voted on by the voters. I think it is a mistake to copy what was written in the Affordable Heat Act. The legislature was addressing homes across Vermont that are more rural than Burlington.

Ashley Adams: This ordinance is incentivizing harmful, high-carbon false solutions. It incentivizes wood biomass heating and biomass-based district heating. Burning wood releases VOCs and other harmful gases and particulates. Wood burning releases more CO₂ per unit of energy than fossil fuels. Voters passed Question Two to address the climate emergency and this ordinance does not accomplish that.

Phil Merrick: My biggest concern is that this is being promoted by someone who has an interest in promoting biomass. I am afraid this carbon fee is going to be used to persuade the hospital to adopt biomass district heating. I agree with Nick Persampieri's markup of this ordinance and agree with Ashley Adam's comments.

Pike Porter: I sent an email just before this meeting that included more information. District energy will add about 19,000 tons of CO₂ and increase fuel usage by 8%. We can't replace fossil fuels with other combustion-based fuels.

Connor Wertz: I live in Ward 2 and work for 350VT. I want to comment on line 58 about sustainable biodiesel. Often this means palm oil. There is a large problem with deforestation in Indonesia because of the demand for palm oil for biodiesel. If this is new information, the Committee should look into the more complicated aspects of biodiesel and other fuel types.

Jack Hanson: The goals in this ordinance are great and we are really on the front lines of decarbonizing existing buildings. I don't think this ordinance is perfect yet. This ordinance makes it too easy for some to avoid doing the work that this ordinance wants. The renewable natural gas section should be reworked and we should focus on decarbonization rather than just paying for credits from a fossil fuel company. I also agree with others that we should remove all carbon-emitting exemptions. I sent an email with some more information.

Dylan Giambatista: I am the director of public affairs at Vermont Gas Systems. We discussed things during the TEUC meetings and other meetings. VGS is both a natural gas provider and also one of three energy efficiency utilities and do in-home service. We are very interested in reducing carbon emissions through three broad categories: weatherization, access to the latest heating solutions, and using short-life cycle carbon fuels. The spirit of the state law and this ordinance is to reduce carbon output while remaining flexible during the transition away from carbon-emitting fuels.

David Kelty: I am the VP of Facilities at the UVM Health Network. We are supportive of the goals in this ordinance toward net zero by 2030. The hospital has very complex engineering requirements and requires reliable thermal energy. Currently, that is high-pressure steam using a HVAC system. There are hospital codes governing air changes and the like, far beyond normal residential or commercial requirements. We are a large consumer of thermal energy. We are looking at an investment at UVMHC soon, including adding more patient beds. That will require additional reliable thermal energy at a low cost so that it does not incur more cost to the patients. Biomass and biogas are the flexible solutions that can be readily implemented as a bridge toward the future.

4.0 Carbon Impact Fee Discussion

4.01 Carbon Impact Fee Discussion

BED General Manager Darren Springer gave a brief overview of the ordinance to date. The Department of Permitting and Inspections will handle the enforcement of the current ordinance. Work on this ordinance began in May of 2022 after the charter change that allowed the City to have authority to do so. In short, this ordinance would make new construction in the City to be required to use renewable heating sources/fuels or pay a onetime fee based on carbon tonnage. For large existing buildings it only applies to heating and water heating. Existing buildings can use the fee to instead pay for renewable systems with a plan.

Councilor Traverse gave a brief disclosure that he now works for the UVM Health Network, but that he has no financial stake in the ordinance in one way or another. He did help draft this ordinance before he worked at the Health Network, so he has decided that he won't recuse himself as he is keeping things separated professionally. If necessary, he will seek advice from counsel on this matter.

Councilor Hightower asked Darren Springer about the wording and limitation of the question that voters voted on. Darren Springer responded that the carbon fee would only be applied to fossil fuels and that renewable fuels would not be subject to the fee. Currently, there is no authority to add a fee to something like biodiesel. The language around exempting carbon-reducing systems was added in TEUC.

Councilor Hightower asked about number seven, lines 60-65, about what it included or didn't include. Darren Springer clarified this section was reflective of the state law (AHA) and is meant to convey that buying renewable gas somewhere in the nation is simply not enough to comply. The fuel needs to have a physical pathway to Vermont and has a contractual structure to make sure the fuel could actually get to Vermont.

Councilor Carpenter asked for clarification on how fees could end up being doubled up. Darren Springer responded that if this ordinance was based on equipment rather than energy output as it is currently written, there could be an issue for campus buildings with overlap. BED has discussed this with Attorney Sturtevant and we could include language that indicates that Permitting and Inspections should not apply duplicate fees for any one building.

Councilor Shannon asked about the current state of McNeil and whether it will require an expansion of McNeil for an increased demand. Darren Springer responded that with the planned district energy system, McNeil will remain a 50 megawatt plant and use waste heat to create steam. McNeil will become more efficient as using the heat for thermal heating is more efficient than electrical generation. There will be an estimated 10% increase in efficiency with the current plan. It would not require more wood to run district energy, but the amount of wood burned is variable year to year depending on pricing anyhow.

Councilor Shannon also inquired about green hydrogen. Darren Springer explained that green hydrogen is not readily available today, but green hydrogen would be produced by a renewable source like solar. Hydrogen is just a storage mechanism for energy produced renewably.

Councilor Shannon asked about if this fee should be a tax or should just be in the building code. Darren Springer responded that with the current pricing system, this ordinance will help level the field between electrification and fossil fuels. BED is very interested in moving toward electrification and away from those fossil fuels.

Councilor Shannon asked about the issues raised around biodiesel and if the ordinance should have tighter language around it. Darren Springer said that biodiesel is a small market in Vermont and is undergoing analysis at the state level and this ordinance would allow the City to adjust if the state strikes biodiesel as a viable energy source.

Councilor Hightower wanted some more detail on how this ordinance will promote renewables. Darren Springer said that the charter change vote allowed the City to regulate fossil fuel usage and the fee would both incentivize renewables and also use that fee money to promote renewables. This ordinance also defines what is renewable and not.

Councilor Traverse wanted more detail on the legality and authority that the charter change gave to the City. Darren Springer deferred to the City Attorney, but said something like biodiesel would not be a fossil fuel in his mind. Councilor Traverse continued that something like wood is certainly not a fossil fuel and is outside the charter change. Darren Springer also pointed out from a policy standpoint we would not want to tax a biomass system from a carbon reduction perspective.

Councilor Traverse asked about how switching to renewable gas or a different fuel would work for natural gas users. Darren Springer said that natural gas and renewable gas work like electricity in that they are fed into a grid, whereas propane or oil are delivered directly to your house. The individual amounts of gas are not tracked themselves but rather are bought and sold into and out of the system. This ordinance does not permit carbon offsets such as burning oil while buying renewable credits elsewhere.

The next Committee meeting is October 16th at 5PM at Burlington Electric's Spark Space.

5.0 Adjournment

5.01 Adjournment

The meeting was adjourned at 7:55 PM.