

Times Argus

This is a printer friendly version of an article from www.timesargus.com

To print this article open the file menu and choose Print.

[Back](#)

Article published Mar 21, 2009

Energy efficiency funding faces fight

By [Louis Porter](#) Vermont Press Bureau

MONTPELIER — A disagreement about the best way to spend money on heating fuel efficiency threatens to spill over into the Legislature's budget deliberations, raising the prospect of a gubernatorial veto.

The dispute is somewhat arcane, but essentially involves the question of which Vermonters would benefit from "all fuels" efficiency funding, and what organization would do the work of administering such a program.

At stake is about \$3.2 million a year that lawmakers say they intended to help middle-income Vermonters and small businesses make energy improvements, because some weatherization money from other sources is already targeted for low-income residents. Language added by the Senate to the budget adjustment now being considered in the Legislature — the mid-year tweaking of state spending — would direct money in 2010 to an electrical efficiency fund and require that it be used for that purpose.

But officials in the administration of Gov. James Douglas say that language violates a contract reached through a bidding process for the use of the money and improperly uses this year's spending bill to designate money to be spent in the next fiscal year.

While that sounds complicated, the outcome matters to those who will get the benefit of the heating fuels efficiency funds — and to the organizations that will do the work, likely either the state's Community Action Agencies or Vermont Energy Investment Corp., which now manages the state's electrical efficiency utility, Efficiency Vermont.

The policy dispute, which dates back to last fall, has taken on political weight recently as it has become a significant fight between legislators and the governor — a disagreement that some in the Statehouse say might become the first veto override test of this lawmaking biennium.

A resolution may occur when the budget adjustment bill goes to conference committee, the small group of lawmakers of both legislative bodies set up to resolve disputes between the House- and Senate-passed versions of the bill. The

House voted to send the bill there on Wednesday.

But if the language introduced by the Senate directing the weatherization efficiency money to the electrical efficiency fund (and likely ultimately on to Efficiency Vermont, although lawmakers could potentially change that) the dispute between the administration and legislators over the matter could go from a simmer to a boil.

"It is critical we follow the law of the global warming bill and get money to middle-income Vermonters and businesses who need more help in making their buildings efficient," said Senate President Pro Tem Peter Shumlin, D-Windham, who introduced the language into the budget bill.

The "all fuels" efficiency program was not intended to be an expansion of the low-income weatherization program, or lawmakers would simply have added the money — originally from the sale of greenhouse gas emission credits — to that program, Shumlin said.

"I don't believe the governor has ever understood what the all fuels efficiency program is intended to accomplish," Shumlin added. "The Department (of Public Service) has refused to follow the law."

But David O'Brien, who runs that department, said he is baffled that the Democrats in the Legislature don't see or appreciate the need for more money to be directed to lower-income Vermonters.

And with a limited amount of money, it was impossible to establish a broad, sweeping new program, O'Brien added. Finally, the legislators are proposing giving the money without bidding the services," he said.

"The problem is giving it directly in lieu of a competitive process," O'Brien said. "They want to send the money to one organization they favor. That is really disconcerting."

Also, language dealing with money for calendar year 2010 simply does not belong in a bill dealing with spending for fiscal year 2009, said James Reardon, commissioner of finance and management, in a letter to lawmakers.

But Rep. Tony Klein, D-East Montpelier, the chairman of the House Natural Resources and Energy Committee, said all of those arguments miss the point. To divide funding among several entities for similar work does not make sense, and the efficiency contract VEIC works under is reviewed and evaluated by the Public Service Board.

"The department was expressly told in a meeting last fall not to award the contract the way it was written because it violated the statute and the Legislature's intent," Klein said. "The department was fairly warned that if they went ahead and did that, we would express the Legislature's original intent in the Budget Adjustment Act. We gave the administration the flexibility to do the right thing ... and they did not do it."

Gov. James Douglas Thursday would not say whether he will veto the bill if the efficiency language is in it.

But he did say that its inclusion in the budget adjustment does not sit well with him.

"That's a real problem, frankly," Douglas said. "I am extremely concerned about violating a competitive bidding process."
