

Money for Energy in Vermont

By Gwendolyn Hallsmith

With the damage climate change has been causing and the increasingly erratic prices for traditional fossil fuels, there is a high degree of consensus on the need to accelerate the transition to renewable energy in Vermont. Yet finding the money to do it is not as easy as it should be. The Energy Action Network, a statewide coalition of groups including Green Mountain power, IBM, Vermont Energy Investment Corporation, The City of Montpelier, state agencies, congressional staff, the Vermont Natural Resources Council, and interested citizens, has identified access to capital as a critical need for renewable energy and energy efficiency.

Why is this? Energy lending has long been seen as a sure bet by most financial institutions. The Vermont State Employees Credit Union offers preferential interest rates to people who want to use home equity loans to make improvements. The energy cost savings can pay back the loan in less than 3–5 years. So it would seem that finding capital for energy should be relatively easy, and yet it's not. Big institutional investors find most projects in Vermont to be "too small," even when their costs total in the millions.

The New Economy for Vermont: Public Infrastructure and Local Investment

There are solutions. We need more funding for energy infrastructure in Vermont – energy investments that are structured as public investments, like the current biomass district energy plant being built in Montpelier – are much more likely to succeed, largely due to the low costs of the money the city obtained for the construction of the facility. We also need ways in which investors of all sizes can invest in Vermont's economy – as small and beautiful as it is.

A State Bank (much like is currently in place in North Dakota, a state with a comparable population to Vermont), would help facilitate public investments in energy infrastructure. With a State Bank, the public would provide the financing and also reap the benefits of the returns on smart energy investments, making it possible to expand our statewide renewable energy capacity.

Local Investing can also provide start-up entrepreneurs with the capital they need to get businesses off the ground. Michael Shuman has done a lot of work to identify new ways to direct investment to local economies. He has identified 24 tools for local investing, ranging from something as simple as pre-purchasing goods and services to the more complex financial arrangements required for the new investments made possible by the JOBS Act (Jump Start our Business Start-Ups).

Vermonters for a New Economy is bringing Michael Shuman to Vermont in October to speak at a conference on October 11th to kick off New Economy Week. We are also spearheading a Town Meeting campaign to call for the state to establish a State Bank for infrastructure, energy, food, and other critical needs we have to make the state more sustainable. For more information about how you can get involved, write to vtneweconomy@gmail.com or call 802-851-7697.