

Climate Superfund 101



What is it?

The **Climate Superfund Act** (Act 121 – known as S.259 during the 2024 legislative session), is designed to address the financial burdens imposed on Vermonters by climate change. It aims to **ensure that the largest fossil fuel companies**, which have contributed significantly to the climate crisis, **pay their fair share** of the costs associated with climate adaptation and resilience in Vermont by leveraging the "polluter pays" principle.

How will it work?

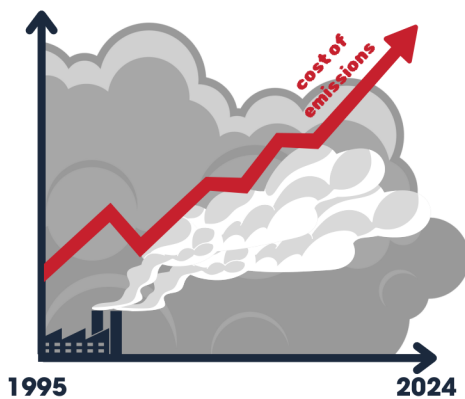
Step 1: Adoption of Resilience Implementation Strategy

The Agency of Natural Resources (ANR) is tasked with adopting a Resilience Implementation Strategy. **This strategy outlines the necessary steps and projects required to make Vermont more resilient** to the impacts of climate change.



Step 2: State Treasurer's Report

The State Treasurer must produce a **detailed report assessing the financial impact of fossil fuel-related greenhouse gas (GHG) pollution emitted** during the "covered period" (January 1, 1995 to December 31, 2024) on Vermont. This report includes a categorized calculation of costs already incurred and projected future costs related to climate change adaptation, mitigation, and damages.



Step 3: Rulemaking by ANR

ANR will establish rules to **identify responsible parties** (a subset of the world's large fossil fuel companies), determine their share of covered GHG emissions, and register these parties.



Step 4: Issuance of Cost Recovery Demands

Once responsible parties are identified, ANR issues cost recovery demands, which must be paid within six months.

Each responsible party will be required to pay in proportion to its share of global fossil fuel-related emissions from the covered period. So a company responsible for 1% of all such emissions from 1995-2024 would be required to pay 1% of the total cost to Vermont, as estimated by the Treasurer.



Step 5: Establishment of the Climate Superfund Cost Recovery Program Fund

The funds collected from the cost recovery demands are deposited into the Climate Superfund Cost Recovery Program Fund. **This fund is used to finance climate change adaptation projects** outlined in the Resilience Implementation Strategy and the State Hazard Mitigation Plan, along with covering reasonable administrative expenses.

How is the money used?

The funds collected are specifically allocated to "climate change adaptation projects." According to 10 V.S.A § 596, these projects are designed to respond to, avoid, repair, or adapt to the negative impacts of climate change. This includes **preparing human and natural communities, households, and businesses for future climate disruptions.** The legislation provides a broad definition of eligible projects, ensuring comprehensive coverage of potential adaptation needs.



The Climate Superfund Act represents a proactive and equitable approach to addressing the financial impacts of climate change in Vermont. By holding major fossil fuel companies financially accountable for their contributions to the climate crisis, we ensure that **Vermonters are not alone in bearing the costs of adaptation and resilience.**