

Vermont Cannabis Control Board

February 28, 2023 Renewals Overview

License Renewal Process

License Renewals Process

Submitted

- Applicant receives email notifications of renewal and is prompted to begin renewal process through their established portal account.
- Applicant updates information and completes required or missing information which includes new energy efficiency questions for all Mixed and Indoor license types.

Received

• Staff changes status to received on first business day after submission.

In Review

- Staff conduct initial review to determine priority status.
- Staff review the application.
- Applicant is sent to CSI for background check (applicants can expect an invite within approximately 3 calendar days of submission).

Incomplete

- Staff send RFI (request for information) to applicant. Applicant can expect a Request for Information within approximately 30 calendar days of application submission date.
- Applicant is directed to the application portal with a list of what is missing or insufficient and instructions for how to complete their application.

License Renewals Process

Resubmitted

- Applicant updates their application and resubmits it for further review.
- Staff reviews the new/updated information.
- Applicant can expect re-review within approximately 14 calendar days.
- Applicant can expect staff to send an additional RFI if needed, within approximately 14 calendar days.
- Once initial review is complete which includes review of background check, applicants can expect a site visit by a compliance agent.

Pending CCB Review

- Staff have determined that no additional information is needed and submit recommendation to Board for approval or denial.
- Board receives the list of staff recommendations in advance of the Board meeting.
- Board votes on the registry at the regular Board meeting.

Approved

- If application is approved pending further action from applicant, staff sends notification to the applicant with instructions for addressing the remaining items before the license is issued.
- Applicant can expect that an application can be approved, approximately 30 calendar days from the last resubmission.
- For applicants in a municipality with a Local Control Commission, staff send approved applicant information to the LCC and await their decision.
- Applicant is directed to pay local and license fees.

License

• Once applicable fees are paid and CCB receives approval from the LCC (if one exists in the municipality), staff notify applicant that their license and cannabis establishment ID are ready for download.

License Renewals Background Check

PROCESS:

Applicants can expect a similar process for renewal background checks.

- CCB staff will send an email invite to all principals and controllers once the application "Review" process begins.
- CSI will also reach out to all principals and controllers in order to setup payment for the process.
- CSI's background check process starts when payment is processed.

COSTS:

Outdoor and Mixed Tier 1, will continue to receive a reduced rate for the 2nd year.

CCB is currently negotiating a reduced fee with CSI for renewal background checks and will make that information available at the next Board meeting and as part of our newsletter.

Rule 2.5.6. Energy Usage Reporting and Reduction Efforts

THIS RULE IMPOSES CONDITIONS ON YOUR RENEWAL

Every year, license holders must:

- report energy efficiency benchmarks to the Board
- update and submit written operating procedures on maintenance, calibration and proper operation for all major energy equipment (horticultural lighting, HVAC, dehumidification systems)
- Assess and report to the Board on opportunities for energy reduction, INCLUDING ALL OF THE FOLLOWING:

→ energy use reduction opportunities and a plan for implementation;
→ generating renewable energy onsite or implementing a plan to;
→ reducing electric demand (lighting schedules, active load management, energy storage)
→ engaging with energy efficiency programs.

Energy Efficiency: Energy Standards for Dehumidification & Usage Reporting and Reduction Efforts

All Indoor and Mixed Cultivators, will be required to complete energy efficiency requirements upon renewal.

- Cannabis Establishments have one year from the date of licensure to come into compliance with the Energy Efficiency requirements.
- Licensees will be required to complete a series of new questions upon renewal.
- Our partners, Efficiency Vermont, will work with you to come up with a plan for achieving efficiencies.
- If you aren't already working with Efficiency Vermont, contact Project Intake Coordinator, Chris Greenwood, 1-888-921-5990 – toll free, 1-802-540-7633 – direct, cgreenwood@veic.org
- Licensee should upload a copy of their agreement with Efficiency Vermont upon renewal if you are already working with them on a plan.

Energy Standards for Dehumidification

Applicant will select one of the following and upload the corresponding Energy Standard Report on Documents page.

- Minimum integrated energy factor of 1.77 L/kWh for product case volumes of 8.0 cubic feet or less.
- Minimum integrated energy factor of 2.41 L/kWh for product case volumes greater than 8.0 cubic feet.
- Integrated HVAC system with on-site heat recovery designed to fulfill to least 75 percent of the annual energy for dehumidification reheat.
- Chilled water system with on-site heat recovery designed to fulfill at least 75 percent of the annual energy for dehumidification reheat.
- Solid or liquid desiccant dehumidification system for system designs that require dewpoint of 50° Fahrenheit or less.

Energy Usage Reporting and Reduction Efforts

Applicants are required to complete each of the following:

- Provide a report demonstrating your energy efficiency.
- Provide written operating procedures regarding equipment maintenance, calibration, and proper operation, for all major energy equipment, including, but not limited to, horticultural lighting, HVAC systems, and dehumidification systems.
- Provide identification of potential energy use reduction opportunities (such as natural lighting and energy efficiency measures), and a plan for implementation of such opportunities

License Renewals Prioritization

PRIORITIZATION:

- CCB staff will continue to prioritize Social Equity and Economic Empowerment applicants
- CCB staff will work with current licensees first to ensure continuity of operations during the renewal process

License Renewals Compliance Good Standing

GOOD STANDING:

- CCB licensing and compliance staff will work hand and hand to ensure enforcement matters are sufficiently resolved prior to recommendations to the Board for renewals.
- If you have received communications from the compliance staff regarding matters that need to be resolved, you should be addressing those now.
- Any penalties assessed against your license need to be paid in full prior to renewal.

License Renewals Record Ownership Transfers

Ownership Transfers:

• We are building the ability for Licensees to request an ownership transfer of the Salesforce record.

Ownership Sharing:

• Soon licensee will have the ability to request Salesforce record sharing with agents, owners, principals and managers of the business.

1.4.9 Plans Related to Positive Impact Criteria

THIS RULE IMPOSES CONDITIONS ON YOUR RENEWAL

For renewal, all licensees must include information regarding progress on the licensee's required goals under this section of the rule. Depending on the number of people your business employs, you need to develop positive impact goals and report on your progress towards these goals prior to renewal.

Positive Impact Criteria

Current Application Questions licensees with 2-10 employees

Provide information regarding proposed plans to recruit, hire, and implement a development ladder for minorities, women, or individuals who have historically been disproportionately impacted by cannabis prohibition using AT LEAST 1 (one) of the following options:

- 1. Inclusive hiring and contracting plans.
- 2. A plan for providing a livable wage.
- 3. Adopting and supporting incubator or accelerator programs that seek to assist businesses that meet the definition of a social equity applicant or are minority or women-owned, including but not limited to providing:
 - a. grants or access to capital;
 - b. workforce re-entry training or programming;
 - c. cultivation, manufacturing, or retail space;
- d. management training or other forms of industry-specific technical training; or mentorship from experts;
- 1. A contribution or contributions to the Cannabis Business Development Fund established by 7 V.S.A. § 987"

License Renewals Positive Impacts

Positive Impacts

Current Application Questions for licensees with 2-10 employees

Provide information regarding proposed plans to incorporate principles of environmental resiliency or sustainability, including energy efficiency, using AT LEAST 1 (one) the following options:

- 1. Sustainable agricultural practices.
- 2. Sourcing energy from renewables.
- 3. Exceeding minimum waste standards, as provided by Rule 2.2.8, or exceeding minimum efficiency standards as provided by Rule 2.5, if applicable.
- 4. Contribute to anti-pollution efforts, which could include but is not limited to the use of carbon off-sets.

License Renewals Positive Impacts

Positive Impacts

Current Application Questions for licensees with 10 or more employees

Provide information regarding proposed plans to recruit, hire, and implement a development ladder for minorities, women, or individuals who have historically been disproportionately impacted by cannabis prohibition using AT LEAST 3 (three) the following options:

1.Inclusive hiring and contracting plans.

2. A plan for providing a livable wage.

3. Adopting and supporting incubator or accelerator programs that seek to assist businesses that meet the definition of a social equity applicant or are minority or women-owned, including but not limited to providing:

a. grants or access to capital;

b. workforce re-entry training or programming;

c. cultivation, manufacturing, or retail space;

d. management training or other forms of industry-specific technical training; or mentorship from experts;

4. A contribution or contributions to the Cannabis Business Development Fund established by 7 V.S.A. § 987

Positive Impacts

Current Application Questions for licensees with 10 or more employees

Provide information regarding proposed plans to incorporate principles of environmental resiliency or sustainability, including energy efficiency, using AT LEAST 3 (three) the following options:

- 1. Sustainable agricultural practices.
- 2. Sourcing energy from renewables.
- 3. Exceeding minimum waste standards, as provided by Rule 2.2.8, or exceeding minimum efficiency standards as provided by Rule 2.5, if applicable.
- 4. Contribute to anti-pollution efforts, which could include but is not limited to the use of carbon off-sets.

Positive Impacts

Examples of current answers to Positive Impacts Plans

- We will follow EEO practices with preference given to veterans, marginalized and minority groups.
- We plan to exceed minimum waste standards by establishing a packaging reuse program whereby customers can return their packaging for reuse in our retail store.
- Applicant intends to pay a livable wage
- Applicant plans to incorporate beneficial insects for pest control purposes in the next outdoor growing season.

Positive Impacts Renewals

CCB will be looking for these types of updates to your Positive Impact Plans.

- Renewal: Demonstrate how preference was given to veterans, marginalized and minority groups. How successful was your plan?
- Renewal: Demonstrate how you exceeded minimum waste standards in establishing a packaging reuse program. Describe the details of your program, or if you have not implemented the program, how has your plan changed?
- Renewal: What is the current wage you are paying your employees? Do you or do you plan to offer retirement contributions or health benefits?
- Renewal: Did you incorporate beneficial insects for pest control? What steps are you taking now?

License Renewals Application Look and Feel

Look and Feel

Renewal applications will have a similar look and feel to the initial application submission.

Licensee are required to validate all pre-populated answers and maybe required to provide new information if they used an early version of CCB's application.

All indoor and mixed licensee are required to answer new questions about energy efficiency.

Some licensees will be required to provide updates to positive impact criteria goals.

License Renewals Tier Change

Tier Change

Renewal application window opens 90 days before expiration.

Renewal application must be completed no fewer than 30 days before expiration.

Licensees receive reminders 120, 90, 60 & 30 days before expiration period closes.

Licensees will have the option to change tiers, upward or downward within the cultivator and manufacturing tiers.

Cultivation licensees will have the option upon renewal to change cultivation type. License Renewals

Application fee waiver for additional license type for Tier 1 cultivators

WAIVERS

Tier 1 cultivators that wish to obtain a Tier 1 or 2 manufacturing license are eligible for an application fee waiver for the manufacturing license application.

CCB staff are working on a request process for executing the fee waiver. If you are interested in perusing this waiver, please reach out to staff by emailing <u>CCB.applications@vermont.gov</u>, prior to completing the manufacturing application.