



EPRI ENERGY AND CLIMATE SEMINAR

View from the States Virginia's Actions for a Low Carbon Future

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2020 – A Watershed Year for Climate in Virginia!

2019 – General Assembly prohibits nearly all climate actions

SHAZAM!

2020 – General Assembly passes series of landmark legislation that will require Virginia to transition to a 100% carbon-free energy by 2045

Profound changes coming to how Virginians generate, distribute, use and consume energy

Major 2020 Climate Energy Legislation

- Clean Energy and Community Flood Preparedness Act
 - RGGI bill
 - Prohibitory budget language removed
- Virginia Clean Economy Act
- Virginia Energy Plan and Commonwealth Energy Policy Act
- Virginia Environmental Justice Act and related legislation

RGGI Bill

(HB 981/SB 1027)

- Authorizes DEQ to establish, implement, and manage an auction program to sell allowances consistent with the RGGI program
- Directs DEQ to sell 100 percent of allowances issued each year through the allowance auction
 - Consignment auction approach abandoned

RGGI Bill

- Revenues to:
 - Va. Community Flood Preparedness Fund (45%)
 - Low income energy efficiency programs (50%)
 - Administrative costs to carry out statewide climate change planning and mitigation activities
 - 3% to DEQ
 - 2% to other agencies that administer low income energy efficiency programs
- Conforming regulations will be promulgated by DEQ this fall enabling Virginia to become a full participant in RGGI on 1/1/21
- Language stripped from state budget that prohibited use of any state funds to support membership or participation in RGGI (Items in HB 29)

Virginia Clean Economy Act

(HB 1526/SB 851)

- Great impact on energy generation and consumption
 - Based on Governor's Clean Energy Executive Order-43 (9/16/19)
- Dominion must obtain 100% of the electricity to serve Va. customers from zero-carbon generation by 2045
 - AEP by 2050
- Establishes schedule by which Dominion and AEP must retire EGUs that emit carbon
 - All coal plants but two must close by 2024
 - Biomass plants must close by 2028
- Replaces existing voluntary RPS with a mandatory RPS program
 - 5,200MW offshore wind required by 2035
 - 16,100MW solar/wind in public interest
- Social cost of carbon calculation requirement

Virginia Clean Economy Act

- Requires workgroup led by Secretaries of Natural Resources and Commerce & Trade to report to GA by 1/1/2022 recommendations on how to achieve 100% carbon-free electric energy generation by 2045 at least cost for ratepayers (moratorium on SCC issuance of CPCNs until GA receives report)
- Requires State Air Pollution Control Board no earlier than 7/1/2024 to adopt regulations to reduce the CO2 emissions from EGUs for the period 2031 - 2050

Virginia Clean Economy Act

- Requires Dominion to construct or acquire 2700 MW of energy storage capacity by 2035
 - AEP must do 400 MW
- Establishes an energy efficiency standard under which each utility is required to achieve incremental annual energy efficiency savings that start in 2022 and increase annually

The Virginia Energy Plan

(HB 714/SB 94)

- Policy of the Commonwealth to
 - ensure adequate supply of natural gas to ensure electric reliability during transition to renewable energy;
 - establish GHG emissions reduction stds across all sectors of economy targeting net-zero CO2 emissions by 2045;
 - enact mandatory clean energy stds and strategies for reaching net-zero CO2 in the electric power sector by 2040;
 - equitably incorporate reqt's for technical, policy, and economic analyses that recognize the unique attributes of different energy resources/systems to identify paths to net-zero CO2 that maximize energy reliability and resilience, economic development, and jobs;
 - minimize the negative impacts of climate change and the energy transition on economically disadvantaged or minority communities and prioritize investment in these areas.

Development of the Virginia Energy Plan

- The Va. Division of Mines Minerals and Energy, in consultation with the State Corporation Commission, DEQ, and others shall prepare a comprehensive energy plan that identifies actions over a 10-year period consistent with the goals of the Commonwealth Energy Policy to achieve no later than 2045 a net-zero carbon energy economy for all sectors, including electricity, transportation, building, agricultural, and industrial sectors. The plan shall propose actions that will implement the energy policy
- Next Energy Plan due 10/22

Virginia Environmental Justice Act

(HB 704 / SB 406)

- Establishes that it is the policy of the Commonwealth to promote environmental justice and ensure that it is carried out throughout the Commonwealth with a focus on environmental justice communities
- Defines “environmental justice” as the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy

Other Environmental Justice Legislation

- Environmental Justice Council (HB 1042 /SB 883)
 - Establishes permanent Environmental Justice Council as advisory council to the Governor to provide recommendations that maintain a foundation of environmental justice principles intended to protect vulnerable communities from disproportionate impacts of pollution.
- Interagency Environmental Justice Workgroup
 - Establishes the Interagency Environmental Justice Working Group (10 EJ coordinators representing each of Gov's Secretaries)
 - Conduct an assessment of processes and resources required of state agencies to develop agency-specific EJ policies.
 - In conducting its assessment, the Group shall provide that agency policies address four factors to ensure environmental justice is meaningfully considered in the administration of agency regulations
 - Report findings & recommendations to GA by 12/1/20

The Present

- Virginia has gone from “climate denier” to national leader on climate policy almost overnight
- Has in place strong statutory foundation to achieve ambitious climate goals over the next generation
- But much work remains to be done to bring these goals to reality

The Future

- Uncertainties lie ahead
- Can we maintain the momentum?
 - Long-term enthusiasm, and political will are certainly there
- Long term impact of COVID 19 pandemic remains to be seen on
 - Economy?
 - Resources?
 - Electric generation?
 - Emissions?
 - Development and deployment of renewable energy?

QUESTIONS?

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