

REALIZING VIRGINIA'S CLEAN ENERGY TRANSFORMATION

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EXECUTIVE SUMMARY

The Commonwealth is in the midst of a clean energy transformation to reduce the power sector's extensive pollution burden and spur innovation and economic growth. Virginia's goal is to have a carbon-free power sector by 2050. The Virginia Clean Economy Act and the Regional Greenhouse Gas Initiative are two critical commitments made by the Commonwealth that work together to achieve this goal. Every year, they will lower pollution, increase energy efficiency, create jobs, and improve climate resiliency across the state. Virginia must keep its commitments, fully implement the policies, and realize the benefits of this clean energy transformation.

CHALLENGE

When power plants burn fossil fuels, they emit carbon dioxide pollution, accelerating the impacts of climate change such as increased precipitation and flooding events, more severe storms, and more frequent, very hot days. Other power plant emissions can have localized negative impacts on the surrounding environment and public health, especially for low-wealth communities and communities of color. Those localized pollutants include particulates, nitrogen compounds, mercury and other chemicals which can cause acute respiratory distress, chronic health effects, and ecosystem disruptions.

Furthermore, fossil fuels leave Virginians vulnerable to the inherent price volatility of natural gas and coal. Utility customers are forced to pay the bill when utilities continue to make risky fossil fuel investments.

To minimize our pollution burden and price risk from fossil fuels, the Commonwealth is in the midst of a clean energy transformation. This transformational shift is critical and necessary for public health, the environment, and the economy.

The General Assembly voted in 2020 to join the Regional Greenhouse Gas Initiative (RGGI) – a successful multi-state emissions reduction program. States participating in RGGI will reduce their power sector carbon dioxide by at least 30% over this decade.

Additionally, the Virginia Clean Economy Act (VCEA) sets out a path to eliminate power sector carbon pollution by 2050 through energy efficiency standards, increases in rooftop solar power, and investments in utility-scale solar, wind, and energy storage.

Now that Virginia has explicit commitments to fulfilling a clean energy transformation, these climate goals can only be achieved by both steadfast climate action from state leaders and consistent regulatory implementation across state agencies.

SOLUTION

RGGI's market-based approach is already delivering results. Power plant emissions are being driven down and revenues brought in. Thanks to Virginia's participation in RGGI, communities faced with the direct impacts of climate change have already received 49 grants to address recurrent flooding across the Commonwealth. More than 2,300 highly-efficient affordable housing units are under construction thanks to Virginia's RGGI participation. Hundreds of thousands of low-income households stand to benefit from RGGI energy efficiency funds, reducing their energy costs and improving their health while creating local jobs in energy efficiency.¹

Virginia needs RGGI to continue curtailing power plant emissions and provide desperately needed resources—on a consistent and prompt basis—to support low-income energy efficiency programs and to strengthen statewide resilience to climate change. The VCEA will further this work. With mandatory retirements of polluting power plants, frontline communities will benefit from improved air quality. Increased energy efficiency requirements will help reduce energy burdens. The average Virginia family will save an estimated \$30/year by 2030 thanks to the VCEA.²

Virginia will also realize significant economic and public health benefits as this clean energy transformation proceeds. According to one estimate, the VCEA will result in a direct increase of 10,000 jobs by 2025. And by 2030, cumulative positive health impacts include 24,000 avoided asthma attacks, 100,000 avoided lost workdays, and 856 avoided deaths.³

Virginia must fully realize the transformational benefits of the VCEA and RGGI. Through proper implementation, these historic laws provide the pathway and means for a carbon-free power sector in Virginia by 2050.

POLICY RECOMMENDATIONS

Maintain our commitment to clean energy transformation and fully implement the VCEA.

Maintain Virginia's participation in our regional emissions reduction program, RGGI.

Maintain RGGI fund allowances for the Community Flood Preparedness Fund and energy efficiency programs; do not dilute funding streams to fill General Fund gaps or other funding needs.