Oppose All Governor Amendments to HB 2026 (O'Quinn) & SB 1231 (Lewis)

The Governor's amendments on HB 2026/SB 1231 are a direct attack on the clean energy future Virginia prioritized when passing the Virginia Clean Economy Act in 2020. These amendments take advantage of the opened VCEA code section to subvert the will of the Senate, and represent concepts that have already been rejected – either via committee votes or lengthy negotiations. **Each amendment is fundamentally bad environmental policy and undermines clean energy deployment in the Commonwealth.**

Amendments #1-3 represent components of Governor bills that were already defeated by the Senate:

- **Amendment 1:** Adds nuclear and hydrogen to the Renewable Portfolio Standard (RPS) created by the VCEA. The Senate already rejected this proposal when it defeated HB 2197 in the Senate Commerce & Labor committee.

- **Amendment 2:** Attempts to defer fossil fuel retirement dates (including coal) by adding duplicative and unnecessary SCC procedures. The Senate already rejected this proposal when it defeated HB 2130 in the Senate Commerce & Labor committee.

- **Amendment 3:** Provides avenues to circumvent the RPS deadlines laid out in the VCEA, giving the SCC the authority to defer legislative requirements. The Senate already rejected this proposal when it defeated HB 2130 in the Senate Commerce & Labor committee.

Amendment #4 seeks to give special treatment to one company at the expense of others, circumventing negotiations that occurred both when originally passing the VCEA in 2020, along with the negotiations that occurred in the 2023 session:

- **Amendment #4:** Allows NOVEC to profit from the Renewable Energy Credits (RECs) created under the VCEA without having to comply with the requirements of the VCEA.
  - Shifts costs onto Dominion and Appalachian Power ratepayers, allowing NOVEC to financially benefit from these utilities' compliance while not having to abide by the VCEA itself.
  - Undermines the VCEA by taking away resources in place to support the Renewable Portfolio Standard (RPS).
  - As written, the proposal is overly broad and **does not create new clean energy development.** It instead allows NOVEC to use sources like landfill gas, municipal solid waste, etc to apply for RECs.
  - All co-ops were left out of the VCEA in 2020 at their express request. This amendment also circumvents the well negotiated compromise made during the 2023 legislative session between the environmental and forestry communities.

The Renewable Energy Credits created under the VCEA exist to incentivize clean energy development and provide financial support to the entities that have to comply with the VCEA – including the Renewable Portfolio Standard, the Energy Efficiency Resource Standards, and the mandatory retirement dates. NOVEC is welcome to join the VCEA and benefit from the financial support it provides, but it should not be permitted to do so without having to comply with the VCEA.