

PARTICIPATING IN THE REGIONAL GREENHOUSE GAS INITIATIVE

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EXECUTIVE SUMMARY

The Regional Greenhouse Gas Initiative (RGGI) is a necessary tool for dealing with the causes and impacts of climate change. RGGI has already demonstrated its effectiveness in drawing down emissions and providing needed funding for flood resilience and energy efficiency across the Commonwealth. Virginia should continue its participation in RGGI and ensure the funds generated through RGGI, which flow to the Community Flood Preparedness Fund (CFPF) and energy efficiency programs, remain fully intact.

CHALLENGE

Virginia is already seeing the effects of climate change, and those effects are expected to intensify over the coming decades. By 2100, Virginia and the Chesapeake Bay watershed can expect to see up to a 20% average increase in extreme precipitation compared to 1950-2000.¹ In the next 60 years, nearly 950,000 Virginians are expected to be at risk from major coastal flooding and annualized coastal flood damages are expected to increase to \$5.1 billion.²

In addition to damage from flooding, rising temperature itself puts Virginia's health and livelihood at risk. The first decade of the 2000s was the warmest on record,³ and by midcentury, half of Virginia's counties are expected to face an increased risk of water shortages due to hotter, drier conditions.⁴ The agricultural industry, which generates \$27 billion in economic value for the state,⁵ faces particularly acute harm from these changes as heat and drought put workers, livestock, and crop yields at risk.⁶

Burning fossil fuels to generate electricity is a key driver of climate change, and also puts Virginians' health in danger. According to EPA program data, power plants in Virginia produced 1,228 tons of SO_x pollution and 6,125 tons of NO_x pollution in 2021.⁷ Air pollutants like sulfur oxides and nitrogen oxides can cause a range of dangerous health effects, including asthma and chronic bronchitis, and can damage the environment by acidifying water surfaces and soils, harming both forest and marine ecosystems.

SOLUTION

The urgency to address climate pollution only increases, but thankfully Virginia already has a proven solution in place. In 2020, the General Assembly enacted legislation requiring Virginia's participation in the Regional Greenhouse Gas Initiative, also known as "RGGI" (pronounced "Reggie"). RGGI's market-based approach is specifically designed to reduce power plant pollution, and this program is already delivering results.

In just two full years of participation, Virginia power plant emissions have dropped by more than 16%.⁸ Moreover, Virginia's participation is bringing substantial funding to critical programs. Communities faced with the direct impacts of climate change have already received \$96 million in 48 planning grants and 35 project grants from the Community Flood Preparedness Fund – the only dedicated state funding source for critical flood resilience

planning and project implementation.⁹ RGGI also benefits low-income Virginians through the Affordable and Special Needs Housing Fund, which in 2021 delivered \$29 million through 35 grants across the state.¹⁰ More than 2,300 highly-efficient affordable housing units are under construction thanks to Virginia's RGGI participation. Through 2030, more than one hundred thousand 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.¹¹

Virginians need RGGI. Without RGGI, Virginia's emissions did not drop between 2010 and 2020, and Dominion appears set on increasing emissions, rather than investing in cheap and reliable renewable energy.¹² Moreover, the administration is attempting to remove Virginia from RGGI through regulatory action, despite the legal questions surrounding their authority to do so.

In the face of these threats, it is more important than ever to maintain Virginia's participation in RGGI. RGGI is proven to curtail power plant emissions while providing desperately needed resources—on a consistent and prompt basis—to support low-income energy efficiency programs and to strengthen statewide resilience to climate change. Additionally, reductions made to power sector carbon pollution through RGGI will very likely aid compliance with proposed federal carbon pollution standards, expected to be finalized next year.¹³

POLICY RECOMMENDATIONS

Maintain Virginia's participation in RGGI in accordance with the 2020 law.

Maintain full funding for the Community Flood Preparedness Fund and energy efficiency programs, and ensure the state treasury and agencies promptly and regularly distribute such funds.

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