

OPPOSE HB 2200, SB 902

Topic: Eliminating RPS Deficiency Payment

Bill Patron: Del. Kilgore, Sen. Stanley

OVERVIEW:

- Eliminates the deficiency payments associated with the Renewable Portfolio Standard (“RPS”)
 - Currently, for any shortfall in meeting the annual RPS requirement, the utility needs to make a deficiency payment of \$45/MWh for resources over one megawatt and \$75/MWh for resources under one megawatt

REASONS TO OPPOSE:

- This is a solution in search of a problem: neither utility has ever had to make a deficiency payment because they haven’t had a problem securing the needed amount of renewables
- Eliminating the deficiency payments removes all incentive for the utilities to comply with the RPS
 - Without them, there is no penalty if a utility fails to secure enough renewable energy to comply with the RPS
- Even if deficiency payments were ever needed, they would go towards vital programs:
 - 50% of revenue to job training programs in historically economically disadvantaged communities;
 - 16% of revenue for energy efficiency measures for public facilities; and
 - 30% of revenue to renewable energy programs in historically economically disadvantaged communities.
- This change will make solar projects less economic at a time when we need more solar than ever to meet rising demand
 - Eliminating the deficiency payment will lower the value of renewable energy certificates (“RECs”), which are an important revenue stream for Virginians with solar



Southern Environmental Law Center
Josephus Allmond, Staff Attorney
jallmond@selcva.org
Josephus: (530) 354-8003



Virginia Conservation Network
Lillian Anderson, Director of Clean Energy &
Climate Justice Programs
lillian@vcnva.org
Lillian: (434) 960-7419