

REJOINING RGGI & ALLOCATING REVENUE

Support Budget Items 4-5.12 #2s (Locke) & 4-5.12 #1h (Herring)

PURPOSE OF REGIONAL GREENHOUSE GAS INITIATIVE (RGGI) BUDGET ITEMS:

Budget items 4-5.12 #2s (Locke) and 4-5.12 #1h (Herring) require Virginia to rejoin the Regional Greenhouse Gas Initiative immediately and appropriate **existing** revenues and any **future** revenues to low-income energy efficiency fund and the Community Flood Preparedness Fund as outlined by law through the Community Flood Preparedness Act.

REASONS TO SUPPORT BUDGET ITEMS 4-5.12 #2s & 4-5.12 #1h:

RGGI Works

Virginia participated in RGGI for three years (2021-2023). During that time, carbon pollution from power plants dropped 22% and Virginia received \$827 million for statewide programs.

Community Flood Preparedness Fund

- Flooding is the costliest natural hazard. The most cost-effective way to prepare for these impacts is to invest in preparedness and resilience. A study from the National Institute of Building Sciences estimates that every \$1 in federal investment in resilience building generates a return of approximately \$6.
- By law, 45% of RGGI proceeds were helping localities prepare for and prevent flooding. More than 60 localities have received over \$150 million for flood resilience activities through RGGI.
- Flood preparedness needs consistent, steady funding. Interest in the Community Flood Preparedness Fund remains high; continued funding is necessary to assist communities through the planning and implementation process to mitigate long-term risks.

Low-Income Energy Efficiency Fund

- 50% of RGGI proceeds were directly helping households while creating good, local contracting jobs through two programs:
 - **Affordable and Special Needs Housing** – funds the construction of new affordable housing built to higher energy efficiency standards. Without RGGI, residents of new affordable housing projects will have ~25% higher energy bills.
 - **Weatherization Deferral Repair Program** – funds repairs not covered by the Federal weatherization program, like leaky roofs and unsafe electrical wiring. Without RGGI, about 1 in 5 homes were being rejected from the federally-funded program. With RGGI, these households were able to get the underlying issue fixed and have their home weatherized using federal dollars.
- RGGI programs save an average household \$676 per year on energy bills

Current Status

- **Virginia is leaving hundreds of millions of dollars on the table** since Virginia stopped participating in RGGI on December 31, 2023. The unlawful repeal of RGGI means that there is no new funding coming in for the Community Flood Preparedness Fund and low-income energy efficiency programs.
- A judge ruled that the administration's action was "unlawful and without legal effect" in November 2024. The judge found that the "only body with the authority to repeal the RGGI Regulation would be the General Assembly.
- The appellate process is ongoing and the Attorney General's office has already requested that the ruling be suspended while the appeal proceeds.

SUPPORTING ORGANIZATIONS

Support Budget Items 4-5.12 #2s (Locke) & 4-5.12 #1h (Herring)



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