

Oppose SB627

Repeals Renewable Portfolio Standard

Patron: Sen. DeSteph

Virginia's Renewable Portfolio Standard is critical to the energy transition, the VCEA and long-term energy affordability.

The Virginia Clean Economy Act (VCEA) uses several interconnected mechanisms to create the framework for a transition to low-cost, reliable clean energy. One of the mechanisms is a Renewable Portfolio Standard (RPS) that requires Dominion Energy and Appalachian Power to procure steadily-increasing percentages of renewable energy from sources in Virginia and the broader PJM region. SB627 repeals the entire RPS, gutting this critical part of the VCEA. The bill should be rejected.

Background

Global warming threatens the underpinnings of our civilization, and science demonstrates that the burning of coal, oil and gas is a major contributor. Fortunately, at the same time, advances in technology are steadily changing the economics of energy. Solar energy is now the cheapest form of electricity available in Virginia and in most of the world, outcompeting coal and fossil gas as well as nuclear.

These two realities led the Virginia General Assembly to pass the VCEA in 2020, putting Virginia on the path to 100% clean electricity by 2050. Legislators understood that the VCEA would be good for the planet and for Virginia consumers, as ever-increasing amounts of low-cost renewable energy steadily replaced more expensive, carbon-intensive fossil fuels.

An RPS works by having utilities retire renewable energy certificates (RECs), which are the legal mechanism demonstrating the purchase of renewable energy. Utility procurement of RECs creates the paper trail for RPS compliance. The sale of RECs to utilities provides a key support to producers of renewable energy. With the federal government ending tax incentives for most renewable energy, the RPS is one of the few supports available for the renewable energy producers who are helping to decarbonize Virginia's energy sector.



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