

Virginia Alternative Energy & Coastal Protection Act

HB 1273 SB 696: Safer Shores, Cleaner Energy, Stronger Economy

Anyone who lives in Hampton Roads knows that flooding has become one of the most challenging public policy issues facing coastal Virginia. The rising of ocean waters due to climate change, combined with the area's sinking land, will cause as much as 7.5 feet of sea level rise by century's end, according to the Virginia Institute of Marine Sciences.ⁱ The increasing number of severe weather events fueled by climate change is creating budget challenges for local governments throughout the Commonwealth as localities must find ways to pay for costly flood-related clean-up. It's time for collective solutions throughout all levels of government.

Communities Are Flooding. It's Getting Worse. We Need Solutions Now.

In November of 2017, the State Air Pollution Control Board approved draft regulations to cap carbon emissions by linking with the Regional Greenhouse Gas Initiative (RGGI). This was a great first step towards climate action in Virginia. However, without legislative action, the Commonwealth would not be able to utilize up to \$200M per year in revenue from the carbon market or guarantee a cap past the year 2030.

As a win-win solution, the General assembly should pass the Virginia Alternative Energy & Coastal Protection Act (VCPA) and formally join RGGI, which will unlock crucial funds for adaptation measures throughout Virginia while guaranteeing long-term reductions in carbon emissions in a way that is proven cost-effective. As outlined in the VCPA, revenues generated from the sale of carbon allowances will help fund resilience efforts, support economic development in Southwest Virginia, and expand clean energy and efficiency investments statewide.

Support Action

The Virginia Alternative Energy & Coastal Protection Act provides dedicated funds that will enhance and protect the livelihood of Virginians from the Shenandoah Valley to the Chesapeake Bay.

Fund Flooding Solutions in Virginia

The Dutch engineering firm Fugro estimates that Norfolk needs at least \$1 billion to fully adapt to the flooding threat posed by climate change.ⁱⁱ

The billion dollar price tag equals Norfolk's entire annual operating budget.ⁱⁱⁱ Other coastal cities face similar threats. Funding from the VCPA is the only viable solution to this growing problem.

Reduce Harmful Carbon Emissions

Since RGGI's inception in 2009, **emissions in RGGI states fell at a rate 2 times greater than non-RGGI states even as the GDP in RGGI states grew 3% more than non-RGGI states.^{iv}** By joining RGGI, Virginia can cost-effectively cut our carbon emissions by 30% by the year 2031.^v

Invest in Clean Energy and Efficiency

Virginia lags far behind neighboring states in solar energy development and does not have a single operational wind farm. Virginia also has an enormous amount of untapped potential in energy efficiency. New investments in these areas will help Virginia catch up in the clean energy sector. **Energy efficient investments will reduce customers' electricity bills.^{vi}**

Stimulate Job Growth in Southwest

Historically low natural gas prices have led to even lower levels of coal production in a region heavily dependent on it. More funds for economic revitalization projects would provide a much-needed economic boost for the region.

Regional Greenhouse Gas Initiative: How It Works



Photo: US Navy

RGGI is a cooperative effort, currently comprised of nine East Coast states from Maine to Maryland, that caps and reduces carbon emissions from power plants. Under RGGI, power plants in participating states purchase allowances for every ton of carbon pollution that they emit.

RGGI states agree among themselves on how many pollution allowances to offer for sale each year, thus setting a cap on emissions, and they gradually lower the cap each year. **It's a flexible, market-based system. Member states set the carbon cap, and then, power plants decide how to stay below it.** Revenue from the auction of

pollution allowances goes back to the state to fund public benefit programs & initiatives decided by each state.

Virginia Alternative Energy & Virginia Coastal Protection Act: In Detail

The Virginia Alternative Energy & Coastal Protection Act directs the State Air Pollution Control Board to adopt regulations that will comply with the RGGI model rule. It then gives the Department of Environmental Quality (DEQ) the authority to run the carbon auction and use the revenue to a fund that will be utilized for public benefit.

The act directs revenue into the Shoreline Resiliency Fund, a dedicated source of revenue to help localities fund climate resilience efforts, energy efficiency programs, clean energy projects, and Southwest Virginia economic development. The fund will hold all proceeds from RGGI auctions and will accept additional appropriations made by the General Assembly. The act specifies that the funds be appropriated to the following areas:

- 35% for Statewide Flooding Resilience Efforts
- 30% for Statewide Energy Efficiency
- 20% for Statewide Clean Energy Projects and Support
- 10% for Southwest Virginia Economic Development Assistance
- 5% for Administrative Solutions

RGGI = Revenue

Participation in RGGI is projected to raise **roughly \$200 million per year** for Virginia through 2030 in auction allowances.

THE SOLUTION:

Virginia can generate hundreds of millions of dollars annually to fight climate change impacts and protect citizens from sea level rise by joining RGGI, a regional collaboration to reduce greenhouse gas pollution.

Revenue associated with the sale of pollution auction permits will fund climate resilience efforts, economic development assistance in Southwest Virginia, and clean energy and efficiency programs throughout the Commonwealth.



TAKE ACTION! If we're serious about protecting Virginians from the effects of climate change, we must first dedicate revenue to fund resilience efforts. To get involved, contact: Harrison Wallace, Virginia Policy Coordinator, at Harrison@chesapeakeclimate.org or 804-305-1472. View references and learn more at ccanactionfund.org/virginia/safe-coast/