

A Step in the Right Direction

What the Carbon Rule Can't Do

Summary: On October 29th, the Virginia Air Pollution Control Board approved Governor Northam's re-proposed Carbon Rule: a re-proposed regulation that will allow Virginia to join the Regional Greenhouse Gas initiative (RGGI). RGGI is flexible, market-based climate change plan that reduces harmful pollution from fossil-fuel power plants and makes polluters pay for their carbon emissions.

The Good News

- This is great news for our climate -- joining RGGI will lead to a 30% reduction in carbon emissions from Virginia's power plants.¹
- RGGI encourages innovations in clean and renewable energy by putting a price on carbon and letting states sell them to polluters at an agreed-upon rate across the region.
- It's proven to work: the nine states currently in the program have seen their emissions decline while their economies grow.



The Catch

- The Carbon Rule was passed through executive order, which comes with limitations: in this case, the Northam Administration is not allowed to direct where the money raised would go.
- To get around this, the rule requires Virginia to utilize a consignment auction. In this process, polluters are given allowances that they must sell back into the larger market, then buy back what they need to generate energy.
- Because the fossil fuel companies would be given the initial pollution allowances for free, they would have less incentive to reduce carbon pollution.
- This would also allow companies to keep any extra money and determine where it would go. The State Corporation Commission would review this process to ideally ensure that the money is invested in programs that benefit Virginians. But given Dominion's track record of fleecing ratepayers in the name of "public good," there is reason to be skeptical of this process.

The Catch: This means no money for state programs and less incentive to reduce fossil fuel consumption.



What We Need Now

- In order to prevent companies like Dominion from deciding what to do with the revenue, Virginia needs to pass legislation. RGGI is a serious revenue generator: RGGI states have seen \$4 billion in net economic activity from the program in the last 10 years. Without legislative action, these economic gains would not be achieved in Virginia.²
- With legislative action, Virginia would be able to access up to \$2 billion in revenue by 2030. This could be invested in energy efficiency, coastal resiliency, and other important programs to protect Virginians and help us move to the clean energy economy.³
- Efficiency in particular is a key opportunity for investment with funds from RGGI. Virginia has the 10th highest bills in America, and Dominion was rated the 2nd worst utility in the country on efficiency. It's clear we need to improve energy efficiency, which would lower electricity bills, lead to even greater reductions in carbon pollution, and create thousands of jobs.
- RGGI is also a job creator: the participating states have seen nearly 50,000 new job hours created from programs funded by RGGI revenue. Only 5% of the allowances from the Carbon Rule would be invested in job-creating programs.⁴



If we're going to protect communities at risk from sea level rise like Hampton Roads, we need to build a climate movement that matches the scale of the problem. The energy choices our lawmakers make today will affect the height of the seas our children and grandchildren will have to contend with. Our politicians are tempted to not look past the length of their own term in office, so we have to push them to stop new investments in fossil fuels and build a clean energy economy.

Click here to take action: <http://bit.ly/join-RGGI>



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 Director, at Harrison@chesapeakeclimate.org. To view citations and to learn more, please visit: <http://ccanactionfund.org/virginia/safe-coast/>