

The Virginia Clean Economy Act

Frequently Asked Questions

► What Does the Virginia Clean Economy Act Do?

The bill gives Virginia a 100% carbon-free electricity grid and eliminates emissions by Virginia's utilities by 2050. This will benefit Virginians through lower monthly utility bills, tens of thousands of new clean energy jobs, and cleaner air while tackling the Commonwealth's contribution to climate change.

► How Does Virginia Get There?

The Virginia Clean Economy Act gets us to 100% carbon-free electricity with zero utility emissions first by reducing the overall demand for energy and next by cleaning up the Commonwealth's energy supply.

- **Prioritizing Demand Side Resources:** The bill will reduce overall demand for energy by scaling up investments in energy efficiency and demand response, energy storage, and distributed generation. Prioritizing these resources gives every Virginian a stake in achieving 100% clean energy.
- **Supply Side Investments:** The bill enacts a statewide Clean Energy Standard (CES) that will have the Commonwealth get 60% of its power using carbon-free resources by 2036 and 100% of its power from carbon-free resources by 2050. This includes, but is not limited to the 5,000 MW of solar and wind required by the Grid Transformation Act. It also lowers Virginia's carbon emissions to zero by 2050, eliminating a dirty energy loophole allowing power plants to pollute in Virginia and sell that energy out-of-state.

► How Does This Bill Fit in with RGGI?

RGGI is the first step on the path to eliminating utility emissions and bringing us to 100% carbon-free power –the Virginia Clean Economy Act builds on RGGI and finishes the job by requiring Virginia's grid to become fully carbon-free and eliminating all electricity-generation emissions in the Commonwealth, so power companies can't keep burning gas or coal and sell that electricity out of state.

► Why Do We Still Need RGGI?

RGGI provides a critical revenue stream for investment in energy efficiency, which reduces the overall demand for power, creates jobs, and lowers individual Virginians' power bills. Additionally, while renewable resources like wind and solar have already started to become cheaper than coal or gas, by requiring polluters to pay for the carbon they emit, RGGI will help spur the shift to clean energy even faster by making it even more expensive to pollute than it's already.

► Won't This Bill Cause Major Power Bill Increases in Virginia?

No. In fact, a recent report from Advanced Energy Economy showed that moving to 100% carbon-free electricity by 2050 will lower Virginia power bills and save the average household roughly \$3,500 over 30 years. The bill protects ratepayers in the following ways:

- **Prioritizing Resources that Reduce Overall Energy Demand:** By putting more affordable resources, like energy efficiency, distributed generation, and battery storage first, this bill helps reduce demand on the grid and the need for expensive investments - like power plants and transmission lines - for which we all pay in our electric bills.
- **Competition in Energy Supply:** The bill also keeps costs down for ratepayers by allowing more competition in the construction of energy production projects, forcing suppliers to give Virginians the best deal possible.

- **Gradual Phase-In:** By phasing in the shift to 100% carbon-free power over the next 30 years, the bill ensures that ratepayers won't experience bill increases over the short term as renewable power facilities get built.
- **Consumer Protections:** The bill gives the State Corporation Commission (SCC) authority to ensure new investments on the grid are built in a cost-competitive manner, retiring assets are properly managed, and, if the implementation of a clean energy transition causes rates to rise sharply, the Commission may pause the transition.

► **What Does This Bill Do to Advance Environmental Justice?**

The bill advances environmental justice in the following ways:

- **Energy Efficiency Investment:** Under the Regional Greenhouse Gas Initiative (RGGI), polluters pay for the carbon they emit, and the Commonwealth can use that money to invest in energy efficiency, to develop renewable energy, and to mitigate the effects of climate change. Under the bill, 50% of RGGI revenue must be used to invest in energy efficiency for low-income individuals, who tend to bear the heaviest burden in their energy bills. This will reduce power bills for homeowners and renters alike in low-income communities.
- **Energy Efficiency Standard:** The bill imposes specific energy efficiency targets for utilities, with specific resources for low-income families, persons with disabilities, and veterans.
- **Energy Efficiency Jobs:** Investing in energy efficiency creates good-paying, local jobs.
- **Environmental Justice Review:** The bill requires the General Assembly to conduct an annual review of its implementation to ensure that no one community is shouldering a disproportionate burden of the shift to 100% carbon-free power.
- **Consumer Protections:** By requiring that no residential bill may increase by more than 10%, the bill prevents unbearable spikes in power bills, which would disproportionately harm low-income families.

► **How Does This Bill Support Local Labor?**

The bill encourages that any offshore wind project built in Virginia use local labor, ensuring that Virginians are being put to work building our new clean energy infrastructure. Additionally, the AEE report showed that moving to zero-carbon electricity will create as many as 11,000 jobs.

► **How Will This Bill Ensure Clean Energy Expansion Doesn't Compromise Habitat in Virginia?**

The Virginia Clean Economy Act in no way undermines or erodes the current processes put in place by the Department of Environmental Quality, which ensure that new energy projects are sited in a way that's environmentally responsible.