The Virginia Clean Economy Act (HB1526 and SB851): Putting Virginia on the Path to 100% Clean Electricity

The Virginia Clean Economy Act (VCEA) will transform Virginia's energy economy. The bill codifies a roadmap to a 100% carbon-free electricity grid and ends in-state fossil fuel generation in Virginia. It does this in a way that will create thousands of new in-state jobs in the renewable energy sector, and will keep bills low with ratepayer protections and energy efficiency investments.

There's a huge coalition of support behind VCEA, including CCAN Action Fund, the Virginia Sierra Club, Environment Virginia, Audubon, the Virginia League of Conservation Voters, the Virginia Conservation Network, the clean energy business community, and more. Here's what the bill does:

Create New Ratepayer Protections to Keep Bills Low

The VCEA creates Virginia's first binding energy efficiency savings targets. The bill mandates a 5% energy savings goal for Dominion Energy over a 2019 baseline by 2025. The savings target for ApCo is 2% of a 2019 baseline by 2025.

It also strengthens the SCC's ability to oversee the cost of new projects and is to keep bills low for clean energy projects. On offshore wind, the bill requires Dominion to hold a competitive bidding process to find the company that will build the turbines for the best price. There's also a cost ceiling to keep the cost of wind projects low.

On solar, the bill will allow for 35% of the utility scale solar required in this bill to be owned by third party companies (ie not Dominion). This will allow for more competitive pricing on electricity from solar power. It also would utilize the "Percentage of Income Payment Plan" (PIPP) to cap energy bills for low-income ratepayers to be a more sustainable energy burden.

Enact a Renewable Portfolio Standard

A Renewable Portfolio Standard (RPS) is a state law that requires utilities to deliver a specified amount of renewable energy such as wind and solar to their customers. The VCEA requires 100% clean electricity by 2045 for Dominion Energy and 2050 for Appalachian Power Company (ApCo), with a benchmark of 45% renewable in the non-nuclear load by 2030. Renewable energy is defined as electricity from wind, solar, falling water, and other in-state resources. For Dominion, 75% of all renewable energy must come from the Commonwealth in 2025 and beyond.

This bill creates the only mandatory RPS with a target of 100% clean energy in the South and one of the stronger versions of the law of any state in the country, putting the state within shouting distance of leading states like Maryland.
Expand Wind and Solar Energy

The VCEA would launch the largest offshore wind farms in America while turbo-charging the state's solar industry. It establishes offshore wind as a substantial portion of the RPS as offshore wind comes online, and deploys 5,200MW by 2034, making Virginia a leader in offshore wind. It also includes labor provisions to require the use of local labor.

For distributed solar, it establishes rooftop solar as a portion of the RPS up to 1% of the annual goals beginning in 2021. It increases the cap on power purchase agreements to 1000MW in Dominion territory and 40MW in ApCo service territories. It expands net metering by increasing the net metering cap to 6%, including 1% specifically set aside for low-to-moderate income communities, and allows larger projects to net meter. It also requires utilities to develop more than 16,000MW of renewable energy by 2035, equivalent to enough electricity for 3 million homes.

Key to the success of offshore wind and solar power is energy storage. The VCEA sets targets for energy storage of 3,100MW of energy storage by 2035, including 2,700MW for Dominion and 400MW for ApCo. It also requires 10% of energy storage projects to be deployed directly "behind the meter" for power backups at hospitals, government facilities, and more.

End Fossil Fuel Emissions

The VCEA would shut down almost all of Dominion's coal-fired power plants by 2030, all biomass facilities by December 31, 2028, and the rest of the state's fossil fuel power plants by 2045. This makes us the only state in the South with a mandate to shut down all fossil fuels.

While this legislation does not create an outright moratorium on new fossil fuel development, it serves as a de facto moratorium on carbon-intensive electricity in Virginia by mandating a carbon-free grid by 2045 with exceptional interim goals by 2030. It also requires the Secretaries of Natural Resources and Commerce & Trade to report recommendations on how to achieve 100% carbon-free electricity and fossil-fuel retirements. It bars the State Corporation Commission (SCC) from issuing new permits for power plants powered by fossil fuels until that study is received by the General Assembly, and the agency can recommend a longer ban on permits.

Finally, it deters any utility spending on projects that do not help lower energy usage. Dominion will have to prove that they are meeting energy efficiency targets to lower overall energy usage before they are allowed to construct any new power plants powered by fossil fuels.

Environmental Justice

Justice is incorporated into every aspect of the VCEA.

The ratepayer protection provisions were laid out above. Further, the bill requires the Virginia Department of Mines, Minerals and Energy and the Environmental Justice council to prepare a report to ensure VCEA doesn't disproportionately burden minority and historically-disadvantaged communities. It includes language to ensure reliability is protected. And it sets the policy of the Commonwealth to consider low-income areas, areas near fossil fuel infrastructure, and historically disadvantaged communities when considering new renewable projects, energy programs, and job training. Finally, it requires utilities to consult with the Clean Energy Advisory Board on how best to inform low-income customers about their solar options.

Summary:

This bill is not the end for the climate fight. We will have to come back for transportation, agriculture, and more, until every sector of the economy is in line with the science. But the facts speak for themselves: This bill will hold Dominion dramatically accountable on rates and fossil fuels emissions. This is the best first step on climate a state has ever taken.