Issue: VA Renewable Energy

Talking Points—Renewable Energy in Virginia

Virginia lags behind its neighboring coastal states in both solar and wind energy production. Only 1% of Virginia's total electricity output comes from solar energy and 0% from wind energy.

The Utility Company's Power

Having invested heavily in natural gas, Dominion Energy has a vested interest in blocking the development of renewable energy and keeping energy usage high to maintain its profits. Dominion is the largest donor to state-level candidates and exerts enormous power over the state legislature. Most clean energy bills die in Republican-led committees without ever getting to a floor vote. Dominion has promoted barriers to solar development, including standby charges, a 1% cap on electricity from net metering systems, capacity limits on private solar installations, limits on third-party power purchase agreements, no community-owned solar arrays, and meter aggregation bans.

The Cost to Virginians

The Republican legislature has prevented Virginia from officially joining the Regional Greenhouse Gas Initiative (RGGI), a market-based cap-and-trade program to reduce carbon emissions. The nine member states set annual limits on carbon emissions and sell allowances (pollution permits) to utilities, thus generating state revenues to be used for renewable energy development and energy efficiency programs. Virginia loses $200 million annually by not joining RGGI. In terms of job creation, Virginia ranks 34th in solar jobs per capita, again trailing behind neighboring states.

Market Forces

Some modest progress has been made due to the declining cost of clean energy technology and growing consumer demand for clean energy, particularly from large companies such as Microsoft and Amazon who have committed to move to 100% renewable energy. Some corporations have partnered with Dominion to build and operate large solar installations, and some have bypassed the utility by building their own on-site rooftop solar arrays or entering into wholesale power purchase agreements with private solar companies. However, data centers that have located in Virginia are massive consumers of power. Unless Virginia develops wind power and battery storage, increasing demand will force continued dependence on fossil fuels.

Modest Government Progress

The former and current Democratic governors issued executive orders for regulations that reduce emissions from fossil-fuel plants and permit Virginia to be 'linked' to RGGI. However, by "linking" rather than "joining" (which requires an act of the legislature), the utility gets its pollution permits for free from the state and can then sell those permits in the RGGI market, buy back what it needs, and keep any profits. In 2018, the legislature passed the Grid Transformation and Security Act (SB 966), which allows (but does not require) utility investment in energy efficiency programs, more utility-owned wind and solar installations, more rooftop solar, modernization of the grid to support non-utility-owned electricity producers, and opening of the solar market to non-utility businesses. Governor Northam's 2018 Energy Plan recommends developing more offshore wind power, raising the cap on net metering to 5%, and legalizing third-party power purchase agreements statewide.