

Issue: VA Energy Efficiency

Talking Points—Energy Efficiency in Virginia

Overview

- Energy efficiency is the cheapest, *most achievable* way to meet Virginia’s energy needs and address climate change. Eliminating wasteful energy practices reduces consumption, which reduces demand, which reduces the need for fossil-fuel power plants and the pollution they cause.
- Virginia lags below the national average in energy savings and energy efficiency spending. Of the 50 states and D.C., Virginia ranked 26th in 2018.
- Residential electricity bills in Virginia are the *10th highest in the nation*. The base rate is only 60% of residential bills; the other 40% covers Dominion’s costs to build new power plants and pipelines.

Dominion Energy Is the Problem

- Of the 51 largest U.S. utilities, Dominion ranked 50th in 2017, 48th in 2018 on energy efficiency.
- As a private-investor-owned company, Dominion aims to maximize profits for its shareholders by selling *more* electricity instead of promoting programs that save energy.
- The Virginia legislature has failed to hold Dominion Energy accountable. The state’s goal to reduce energy consumption by 10% is voluntary, not mandatory.
- The 2018 Grid Transformation and Security Act (GTSA), requiring Dominion Energy to spend \$870 million on energy efficiency programs over the next 10 years, is inadequate. It measures success by how much the utility spends, not how much energy it saves. Dominion tried to include “lost revenues” (loss of sales from reduced energy usage) as part of the \$870 million and failed to include expected GTSA energy savings in its 15-year energy-demand forecast in order to justify building new fossil-fuel power plants and pipelines.

Reasons to Support Energy Efficiency

- **Lower electric bills**—Decreased use of electricity results in lower bills.
- **Conservation of natural resources**—Reducing the need to build fossil-fuel power plants and pipelines results in less environmental impact on land, water, and air.
- **Climate change mitigation**—Less dependence on fossil fuels reduces greenhouse gas emissions.
- **Health benefits**—Lower emissions lessen the incidence of health problems from air pollution.
- **Job creation**—The energy efficiency industry supports 76,621 jobs in Virginia. Another 38,000 could be added by 2030 if the state adopts better energy efficiency policies.
- **Economic competitiveness**—Efficiency policies attract large businesses (including data centers) that want to reduce their use of fossil-fuel energy and control their energy costs.

Recommended Energy Efficiency Policies

- **Energy Efficiency Resource Standards**—Make energy consumption reduction mandatory.
- **Utility spending goals**—Require Dominion to spend a specific percentage of its overall revenue on energy efficiency programs.
- **Decoupling**—Separate profits from sales so utilities don’t have incentive to sell more electricity.
- **Modern cost-effectiveness tests**—Increase state approval of efficiency programs by including broader range of benefits, such as health and environmental factors, in cost-benefit analysis.
- **Innovative financing**—On-bill financing, Property Assessed Clean Energy (PACE), Energy Savings Performance Contract.