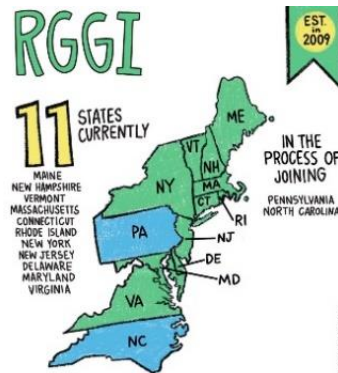


Issue: Virginia and RGGI

Protecting People and the Environment - Keeping Virginia in the Regional Greenhouse Gas Initiative



Democratic Values

Everyone deserves a safe environment, with clean air to breathe, safe water to drink, and communities with the resiliency to withstand extreme weather events.

Reducing Virginia's dependence on fossil fuels is the single most important step in protecting the environment and thus Virginia's people and communities.

Narrative

Republican leaders and representatives in Virginia align themselves more closely with oil and gas companies and industries clinging to fossil fuel use than they do with voters' wishes.

A 2023 Wason Center survey of over a thousand Virginia voters found that, by a margin of 66% to 24% (with 10% undecided), Virginians want to remain in the Regional Greenhouse Gas Initiative (RGGI). Even Republicans sided more with staying in.¹ Other polls show similarly strong interest in government action on climate change issues.

Since Governor Youngkin was elected, he has repeatedly tried to take Virginia out of RGGI.² He is currently saying Virginia will exit RGGI in 2023. Most recently, on June 12th, the Virginia Air Quality Board voted 4-3 to follow the Governor and withdraw from RGGI. Democrats say that legislation is needed to reverse what 2020 law put into effect.³ Republican representatives have also followed Governor Youngkin's lead and introduced bills to remove Virginia from RGGI and also to reverse or chip away at the Virginia Clean Economy Act and the Clean Car Standards.^{4, 5}

These attempts to reverse Virginia's progress reach far beyond the partisan left versus right. This determines whether Virginia moves forward or back, whether the state embraces the best science or turns back to practices that do enormous harm. This decides whether people, animals, and land matter more than oil, gas, and coal companies.

Debate

They say: RGGI provides no benefit.

You say: Since Virginia joined RGGI, roughly \$657 million has been raised in carbon auctions from industry.⁶

Applying the allocation percentages of fifty and forty five percent to \$657 million raised, this amounts to \$328 million that has already or will be in the future allocated to fortify community flood resiliency and \$295 million for building energy efficiency into new and existing housing. There is a lag between the auctions and the flow of money to approved projects. See the appendix for lists of the largest projects begun and maps of funds approved by region using latest available data.

Other benefits of participation take time. States that have participated for a decade or more have experienced health benefits, lower energy bills, and measurably lower carbon emissions, altogether a 46% drop, which is roughly double the rate of the entire nation. Additionally, thousands more people are employed in clean energy jobs and the net economic benefits have grown to almost \$6 billion.⁷

They say: RGGI does not incentivize utility companies.

You say: Power and industrial companies have to pay to pollute. Virginia's emissions have already fallen 13 and 5 percent in the first two years.⁸

After Virginia passed the Clean Economy Act mandating participation in RGGI, Dominion Energy Virginia pivoted to a new CEO, abandoned the Atlantic Coast Pipeline, sold their gas pipeline business, and planned to invest the \$9.7 billion proceeds in what will be the country's largest offshore wind farm.^{9, 10}

However, as Governor Youngkin continued to fight to exit RGGI, Dominion took a giant step back from their aggressive action and reverted to a plan, published in May 2023, in which Dominion will rely on coal and methane-heavy power sources. Per an opinion piece by Ivy Main, a Sierra Club lawyer, this new plan seems to fit with Governor Youngkin's wishes.¹¹

They say: RGGI increases household energy bills by an average of \$2.39 per month.¹²

You say: Since 2000, Virginia experienced 69 natural disasters that each cost more than a billion dollars. The largest five cost almost \$350 billion in total (some costs occurred outside of Virginia).¹³ These disasters are paid for by hikes in residents' insurance premiums, local, state, and federal income taxes and most of all by the individuals directly affected who have lost homes, property, and businesses. Ignoring these problems will not save us money.

They say: Republicans want market-based solutions.

You say: RGGI is market-based.

They say: RGGI imposes an unnecessary, regressive, direct energy tax on ratepayers.¹⁴

You say: Republicans would like to redefine your utility bill as a tax. It is not a tax. It is a fee for electricity.

They say: RGGI provides no choice for consumers.

You say: Virginia gives non-residential customers the choice to work with any licensed electricity provider. Residential customers who would like to convert to 100 percent renewable energy may choose any energy company if their own local provider is not able to meet their requirement.^{15,16}

Virginians Weigh in During the Youngkin Administration's Open Comments Regarding Exiting RGGI

A member of the public wrote in:

“Are you in your right mind? What about reducing greenhouse gasses, investing in clean energy jobs, reducing our dependency on petroleum exporting nations run by despots and giving Virginia access to 100s of millions in flood relief is a bad thing to you?”¹⁷

A member of Virginia Clinicians for Climate Action:

“... decreases episodes of asthma and incidents of heart attack and stroke. It decreases production of CO₂ which is the root cause of global warming causing heat illness and the spread of tropical illnesses not previously seen in Virginia.”¹⁸

Chesapeake Bay Foundation:

“RGGI helps keep pollutants out of the Chesapeake Bay ... not only greenhouse gases, but also [RGGI] reduces emissions of other pollutants, like nitrogen oxides (NO_x), which add to the excess nutrient levels in waterways ... creating dead zones in the Bay.”¹⁹

In summary:

Of the 6,600 comments submitted, 88% strongly condemned Virginia's efforts to pull out of RGGI. There were hundreds more who signed petitions or letters that were only counted as one comment.²⁰

What Businesses Say about Climate Change and RGGI

A number of non-energy related businesses including Mars, Nestle and IKEA lobbied for and signed a letter supporting the Virginia Clean Economy Act (VCEA) and the state's participation in RGGI.²¹

After the VCEA's enactment, many companies and institutions continued to express support for protecting “fellow Virginians, public health and the vibrancy of our economy.” They went on to say “Joining RGGI will not only protect our communities ... but will also help Virginia take advantage of the opportunities that accompany the transition to a low-carbon economy.”²²

What the Military is Saying and Doing about Climate Change

The Department of Defense (DoD) is uniquely positioned to observe worldwide sea level and temperature rise around the world. The DoD is treating climate change as an “existential threat” and a matter deserving their most focused efforts and investments.²³ In Virginia, the military represents 19% of Virginia's economy, over 800,000 direct and indirect jobs, and over 870,000 military veterans and retirees.²⁴ The DoD has dedicated resources to reduce their greenhouse gas emissions and environmental footprint, as well as to protect their naval installations and Virginia's coastline.²⁵ The leadership and absence of climate denial is noteworthy.

Final Thoughts

The people of Virginia have spoken. They want action on climate change, better health outcomes, proactive rather than solely reactive measures for flooding, and a market based, guaranteed source of funding for resiliency and weatherization. Our government needs to heed their wishes.

Appendix: How RGGI Funds Have Benefitted Virginians as of the end of 2022 and 2021 respectively (latest available data maps)

Of the \$237 million allocated to the VA Community Flood Preparedness Fund from RGGI allowances through December 30, 2022, \$97.7 million has been released to cities and counties as shown on the map. This money was put to work on much needed flood control projects.

Community Flood Preparedness Fund: Geographic Disbursement

10/05/2021 - 12/30/2022



Affordable & Special Needs Housing (ASNH) Funds by Region

For fiscal year 2021

Region	Total HIEE* Award
Central	\$12,564,266.00
Eastern	\$231,220.00
Hampton Roads	\$9,095,694.00
Northern	\$3,210,000.00
Southside	\$270,000.00
Southwest	\$1,109,730.00
West Central	\$239,700.00
Valley	\$2,227,470.00

*Housing Innovations in Energy Efficiency



To learn more, visit vaeec.org/rggi/ or contact info@vaeec.org



[https://vcnva.org/issue/rggi-virginia/#:~:text=In%202020%2C%20Virginia%20passed%20the,Flood%20Preparedness%20Fund%20\(CFPF\).](https://vcnva.org/issue/rggi-virginia/#:~:text=In%202020%2C%20Virginia%20passed%20the,Flood%20Preparedness%20Fund%20(CFPF).)

The largest projects granted (over \$1M) as of December 30, 2022 are:

- \$24.6M Ghent-Downtown-Harbor Park flood protection barrier system, City of Norfolk
- \$9.0M Trippps Run at Barrett Road, Fairfax County
- \$7.5M Mayo Island Acquisition, City of Richmond
- \$4.9M Master Plan, Stormwater, Floodplain, Resilience and Climate Change Management, City of Newport News
- \$4.9M Tucker Avenue Neighborhood Stormwater Improvement, Fairfax County
- \$3.8M Lake Hampton and North Armistead Avenue, City of Hampton
- \$3.2M Waterfront Improvement Project Design, City of Alexandria
- \$3.0M Big Bethel Blueway; Albany Drive at Big Bethel Road, City of Hampton
- \$3M Eastern Branch of Elizabeth River Wetland and Floodplain Restoration, Virginia Beach
- \$2.8M Stormwater System, City of Petersburg
- \$2.2M Comprehensive Citywide Drainage Study & FP Ordinance Update, City of Petersburg
- \$2.2M Acquisition, Flood Proofing, Restoration, Dickenson County
- \$2.0 Sunset Creek Urban Channel Naturalization, City of Hampton
- \$2.0M First Colonial Road and Oceana Blvd Stormwater Improvements, Virginia Beach
- \$1.9M Stormwater Project-South Birdneck Road for City of Virginia Beach
- \$1.2M Mount Vernon Dual Corrugated Metal Pipe Culvert Replacement and Optimization, City of Alexandria
- \$1.2M Chowan Avenue Stormwater Improvement Project, Fairfax County
- \$1.1M Riverside Memorial Cemetery Shoreline Stabilization, City of Norfolk

- \$1.1M McGuire and Chapel Drive Drainage improvements Project, City of Richmond
- \$1.1M Structural Floodwalls, Stormwater System Upgrades, City of Chesapeake

Examples of projects centered around Charlottesville include:

- \$275k 2-Dimensional Stormwater Management Model for Meadow Creek and Rivanna River Watersheds
- \$90k H&H Studies to Update FEMA Maps, Town of Front Royal
- \$54k Resilience Plan – Central Virginia Planning District
- \$153k Moores Creek Watershed in City of Charlottesville
- \$94k Resilience Planning and Staff Training in City of Charlottesville

All projects are listed on the website of the Virginia Department of Conservation and Recreation at: <https://www.dcr.virginia.gov/dam-safety-and-floodplains/dsfpm-cfpf-awards#round1>

Sources:

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⁵ <https://www.virginiamercury.com/2023/01/16/republicans-again-attempt-to-roll-back-democratic-carbon-reduction-laws/>

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¹⁵ <https://www.thegazette.com/energy/iowas-large-energy-users-want-electricity-choice-heres-how-that-works-in-four-other-states/>

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²⁰ <https://vcnva.org/roundup-rggi-public-comment/>

²¹ <https://www.greenbiz.com/article/how-companies-led-way-clean-energy-virginia>

²² https://www.ceres.org/sites/default/files/VA%20RGGI%20Thank%20You_Mar%202020.pdf

²³ <https://www.defensenews.com/news/your-military/2021/04/27/climate-change-an-existential-threat-says-secdef/>

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²⁵ <https://www.defense.gov/News/News-Stories/Article/Article/3365277/official-describes-steps-dod-taking-for-environmental-resilience/>