

VIRGINIA CLEAN ECONOMY ACT SUMMARY & ANALYSIS OF MAJOR PROVISIONS

Virginia Grassroots Coalition Clean Energy Working Group

SB851 March 5, 2020	Section #; Bill lines	Comments & Comparison to Original Bill, Filed January 9
Energy Efficiency		
<p>Energy Efficiency Targets for Investor Owned Utilities (not Co-ops). Utilities “shall” implement EE requirements to achieve targets for (a) Dominion beginning in 2022 to achieve 1.25% and increasing to achieve a total efficiency savings of 5% by 2025 against a 2019 baseline; and (b) ApCo beginning in 2023 (.5%) to achieve a total efficiency savings of 2% by 2025 against a 2019 baseline. Utilities shall propose EE programs with petitions for SCC approval. Under existing law, Dominion must spend at least \$870 million on EE between 2018 and 2028; ApCo must spend \$140 million.</p> <p>EE Targets Beyond 2025. For each 3-year period beginning in 2026, SCC shall establish EE savings targets taking into account feasibility. In addition, State Corporation Commission (SCC) shall review feasibility of targets annually & report to Committee Chairs, Secretary of Natural Resource & Secretary of Commerce & Trade (beginning 10/1/22).</p>	<p>56-596.2 . LL: 1868-1888; LL 1898-1902</p> <p>LL: 1889-1921</p>	<p>Experts indicate that 2% annually is insufficient</p>
<p>Total Annual Energy Savings. Definition means (a) total combined kW hour savings achieved by EE and demand response programs installed in that year including savings still being achieved by programs implemented previously; (b) savings from newly-installed combined heat & power facilities, including waste heat-to-power facilities, and associated reduction in transmission line losses - provided that biomass is not a fuel and total efficiency (including thermal energy) for eligible combined heat & power facilities must ≥ 65 % and have a new nameplate capacity rating ≤ 25% MW.</p>	<p>LL: 255-262</p>	
<p>SCC Oversight</p> <p>Approval of EE Programs. Utility must provide to SCC budget for design, implementation and operation including anticipated savings from each EE program. SCC must grant final order w/in 8 months of filing petition for EE program filed by utility and shall approve petition if it finds program in public interest. Permits pilot programs, which are deemed in the public interest, if limited in scope and assess whether a new program would be cost effective.</p>	<p>56-585.1 LL: 463-470; 500-505</p>	<p>Original bill had no provisions for pilot program nor automatic determination of public interest.</p>

<p>Monitor. SCC shall annually monitor and report to GA the performance of EE programs including compliance with total annual E savings, reduction in customer bill savings, related emission reductions, utilities’ avoided costs.</p>		
<p>Limits on Construction of Carbon Emitting Facilities. SCC may not approve of construction new utility-owned generating facility that emits carbon unless (a) utility has already met the EE requirements; and, (b) SCC finds that supply side resources are more cost effective than demand-side or energy storage.. Exception - SCC finds a threat to reliability of electric service. Note – lines 6160621 have similar provisions but make no exception for grid reliability and add requirement that utility must have considered alternative options including 3rd-party market alternatives</p>	<p>LL: 506-512; 616-621</p>	
<p>Stakeholder Process. In developing portfolio of EE programs, utilities must use stakeholder process facilitated by independent monitor to provide “input” on (a) development of portfolio; (b) compliance with EE saving percentage requirements; (c) recommendation for policy reforms to ensure “maximum and cost-effective” deployment of EE technology; (d) identification of best practice to evaluate and verify compliance with EE savings requirements. Utilities required to use third party to evaluate and measure services to determine net annual savings & total customer bill savings among other items. Findings must be made in an annual report to SCC</p>	<p>LL: 1807-1829; 1902-1932</p>	
<p>Incentives to Meet or Exceed EE Targets. Utilities are incentivized to meet and exceed the EE targets by (a) disallowing a rate of return on EE expenditures if the utility fails to meet the annual EE targets (assuming SCC actions do not impede compliance); (b) awards an additional 20 basis points of return for each additional incremental .1% of EE achieved in any year; (c) disallowing new construction of fossil fuel plants by utility if it fails to meet EE targets.</p>	<p>LL: 482-499</p>	
<p>Large Industrial Customers. Requires large industrial customers to participate in EE programs unless they have implemented their own. These customers can apply to SCC for exemption; SCC to establish rules for this process.</p>	<p>LL: 517-536</p>	
<p>Low Income Provisions. 15% of \$\$ spent on EE programs must benefit low income, elderly, disabled or vets</p>	<p>LL: 1863-1866</p>	
<p>Generation of Electricity from Renewable and Zero Carbon Sources</p>		
<p>SUMMARY RPS. Establishes annual requirements for utilities to generate renewable energy through a mandatory Renewable Portfolio Standard (RPS) - 100 percent carbon-free by 2045.</p>	<p>56-585.5</p>	

<p>New Buildout. Dominion must petition SCC, by 12/31/35, to construct, acquire, or contract to buy the output of 16,000 MW of sun or wind-generated energy. ApCo – 600 MW.</p> <p>See Offshore Wind Below – 56-585.1:11. Construction or purchase of offshore wind generation of 5200 MW is in the public interest.</p> <p>E Storage. Dominion must petition SCC, by 2035, to construct/acquire, 2700 MW of E storage. ApCo – 400 MW.</p>		
<p>Phase Out Schedule for Carbon Generating Sources. Starting in 2021, energy from “renewable energy standard eligible sources” ramps up to 30% by 2030 and 100% by 2045.</p>	56-585.5.C LL:	
<p>RENEWABLE PORTFOLIO STANDARDS</p> <p>Renewable Energy Standard Eligible Sources: (a) solar & wind– located within VA or PJM; (b) falling water in VA or PJM owned & operated by Utility by 1/1/2020 or contracted by utility prior to that date; (c) non-utility owned resources from falling water of less than 65 MW operating after 12/31/79 or added incremental generation greater than 50% of original nameplate capacity after 12/31/79 located in VA or PJM; (d) waste to energy or landfill gas-fired generating resources in VA (but not forest or woody biomass); (e) biomass-fired facilities operating in Commonwealth (1/1/20) that supply no more than 10% of annual net electrical generation to the grid or no more than 15% of useful energy to any facility other than the manufacturing facility to which the generating source is interconnected.</p> <p>Transition period from 2021-2024 where Renewable Energy Certificates (RECs) may come from renewable energy facility, defined in 56-576, <i>as sunlight, wind, falling water, biomass, sustainable or otherwise, energy from waste, landfill gas municipal solid waste, wave motion, tides, geothermal – does not include energy from coal, oil, natural gas, nuclear power. Includes the proportion of the thermal or electric energy from co-firing of biomass.</i> During transition period and thereafter, prohibits RECs from renewable thermal energy facilities or energy equivalent facilities, biomass fired facilities outside the commonwealth or biomass-fired facilities operating in Commonwealth (1/1/20) that supply 10% or more of annual net electrical generation to the grid or 15% of useful energy to any facility other than the manufacturing facility to which the generating source is interconnection.</p> <p>All retail suppliers must procure RECs from renewable energy standard “eligible sources.”</p>	<p>LL: 1330-1357</p> <p>LL: 1318-1329</p>	<p>Final bill weakens RPS in several ways. It removes Tier System in original bill which established (1) eligible renewable energy sources by category/tier and (2) percentages the utilities must procure from each tier. Preference was given to (1) sunlight, wind, anaerobic digestion and (2) facilities located in Virginia through annual percentage purchase requirements established for each tier. Original bill phased out falling water from PJM and contained no biomass exceptions. Tiering system provided transparent, and enforceable tracking mechanism.</p> <p>Transition period all but eliminates any meaningful RPS requirements. During that period, Renewables include energy from waste, energy from hydroelectric facilities (no age</p>

		<p>restrictions), landfill gas fired generating plants provided they do not burn woody biomass.</p> <p>Thus RPS in original bill forced utilities to construct or acquire new solar and wind generation more quickly to meet RPS standards than in final bill. Final bill's more expansive definition of Renewable Energy Standard Eligible Sources combined with the elimination of meaningful RPS requirements during transition makes unclear HOW much NEW renewable/carbon free construction or purchases the utilities must make in any given year. Need an analysis</p> <p>Carve-outs for Paper Plants owned by West Rock and International Paper. Paper companies that burn biomass count as Eligible Renewable Energy Standard Sources and can sell RECS. Carve outs appear to be in perpetuity & were not in original bill.</p>
<p>Generation facilities outside Commonwealth count as eligible sources. To comply with the RPS, utilities "may use and retire environmental attributes associated with utility owned or contracted solar, wind, falling water located in VA or PJM as of 1/1/20 to count as an eligible source within the Commonwealth.</p>	<p>LL:1351-1357</p>	<p>Final bill further reduces the amount of new solar and wind that utilities must construct or acquire in VA to comply with RPS.</p>
<p>Deficiency Payments for Failure to Comply with RPS. If utility fails to meet RPS requirements, or if the cost of the RECs necessary to comply exceed \$45 per MW hour, then utility must pay \$45 for each MW hour shortfall. Deficiency payments for failure to procure RECs for solar, wind, anaerobic digesters in VA - \$75 per megawatt hour for resources ≤1 MW and lower.</p>	<p>56-585.5.D.5; LL: 1540-1555</p>	<p>Original Bill - Deficiency payments were tied to tiers and were higher; utilities could NOT recover those costs.</p>

<p>Deficiency Payment Proceeds go to DMME (a) 50% job training in historically disadvantaged communities; (b) 16% EE for public facilities; (c) 30% for renewable E programs in historically economically disadvantaged communities; (d) 4% admin costs</p>		
<p>Distributive Solar and Small-Scale Wind. Beginning in 2021, Dominion must meet 1% of RPS requirements using solar, wind, or anaerobic digestion of 1% megawatt or less in Commonwealth, with not greater than 3,000 kW in any 1 location (or contiguous location) owned by same entity.</p> <p>Low Income. Where available, \geq 25% of the 1% shall be composed of low-income qualifying projects.</p>	<p>LL: 1394-1399</p>	<p>Clarify what anaerobic digestion refers to – pig farms? If so, how much of the 1% MW likely to be met through anaerobic digestion.</p>
<p>Beginning in 2025 – 75% of RECS used by Dominion must come from resources located in VA.</p>	<p>LL: 1400-1402</p>	<p>Notwithstanding the clear language of this provision, it appears that some facilities outside VA count as inside VA for this purpose. See:lines 1351-1357</p>
<p>MANDATORY NEW SOLAR & ONSHORE WIND CAPACITY. By 12/31/2035, Dominion shall petition the SCC to construct or enter into agreements to purchase, energy, capacity and environmental attributes of 16,000 MW of sun or onshore wind generated energy. 1,100 MW must come from solar generation of a nameplate capacity of not greater than 3 MW per individual project. Schedule: By 12/31/2024, 12/31/2027– must petition SCC for 3,000 MW. By 12/31/2030 - 4,000 MW. By 12/31/2035 – 6,100 MW.</p> <p>ApCo must petition SCC to construct or enter into agreements to purchase of energy, capacity and environmental attributes of 600 MW of sun or onshore wind generated energy. Schedule: By 12/31/2023, 12/31/2027, 12/31/30 – must petition SCC for 200 MG.</p>	<p>LL: 1423-1490</p>	<p>Final bill no longer requires dates certain by which energy capacity must be constructed or acquired. Bill instead requires a date certain by which to petition the SCC.</p> <p>Final bill does not appear to require that energy produced from new zero carbon generation be used in Virginia. RECs could be sold to markets, such as DC, willing to pay a premium until such time as the RPS requirements exceed those met by existing solar, hydro, nuclear sources that count as eligible sources.</p>
<p>Third Party Competition for Mandatory New Zero Carbon Generation Capacity. Both Dominion and ApCo must acquire 35% of mandatory new zero carbon generating capacity from facilities owned by 3rd parties.</p>	<p>LL: 1423-1490</p>	

<p>Cost Recovery Option. Utilities shall petition SCC to “procure” zero carbon generating capacity and for cost recovery either through its rates for generation and distribution or through a RAC (pursuant to A 6 of 56-585.1 A 6). Costs for sunlight, off and on-shore wind facilities are also eligible for customer credit reinvestment offset (56-585.1 A 8)</p>	<p>LL: 1410-1422</p>	
<p>Adding More Zero Carbon Generation Capacity Beyond 16,000 MW (Dominion) & 600 MW (ApCo). Utilities can construct/acquire additional zero carbon generation in excess of MW requirements, BUT subject to SCC review and approval (56-580 and 56-585.1).</p> <p>SCC Review for Additional Zero Carbon Capacity. SCC must “consider” factors including whether construction will likely lower customer costs and whether need can be more affordably met through demand-side or E storage.</p>	<p>LL: 1447-1450; 1491-1502</p>	
<p>Annual RFP for New Solar and Wind Resources. Utilities must undertake Annual RFP for new solar and wind resources. RFP must quantify need for energy capacity or RECS. RFPs must include specific items including detailed bid instructions. Utilities “may evaluate” RFP responses “on any criteria it deems reasonable” but must “consider” among other items: (a) age of generation facilities; (b) financial viability of project and developer; (c) developer’s prior experience; (d) benefits to Commonwealth including Virginia businesses; (e) determining the environmental impacts on air quality and (f) carbon intensity of utility’s generation portfolio</p>	<p>56-585.5.D.3; LL: 1504-1522</p>	<p>Not clear how utilities demonstrate they considered the factors. Bill does not appear to create a role for SCC or 3rd party oversight.</p>
<p>Annual Plan for New Solar and Wind Resources. Utilities must submit an annual plan between 2020 and 2035 and petition for approval for development of new solar and onshore wind generation. It must include (a) how utilities will construct or purchase the allocation percentages for the new solar and wind resources; (b) request for approval to construct facilities (per 56-580 D); (c) request for approval (or update of RAC) to recover facility costs (per 56-585.1 A 6); (d) how it will meet energy storage project targets including installing at least 10% “behind the meter” projects.</p> <p>SCC Review. In determining whether to approve plan and petition requests, SCC shall determine whether they are “reasonable and prudent” and consider (a) RPS and carbon dioxide reduction requirements; (b) promotions of new renewable generation and E storage within Commonwealth; and (c) fuel savings.</p>	<p>56-585.5.D.4; LL: 1523-1539</p>	<p>Review 56-580 D for construction approval requirements.</p> <p>SCC review helps ensure that costs are appropriate and encourages competition from 3rd parties.</p>
<p>Cost Recovery. All costs related to requirements of 56-585.5, including costs of (a) generation facilities powered by sunlight, onshore & offshore wind, or energy storage facilities (after 1/20/2020); (b) costs</p>	<p>LL: 1580-1596</p>	<p>Expands the amount of non-bypassable charges considerably.</p>

of capacity, E, or environmental attributes from generation facilities powered by sunlight, onshore & offshore wind, falling water, or E storage facilities purchased by utility from persons other than utility (after 1/20/2020); (c) all other costs of compliance including costs of purchasing RECS as part of RPS program shall be recovered from all retail customers as a Non-Bypassable Charge except for accelerated renewable energy buyers or, with respect to offshore wind, for PIPP eligible customers, advanced clean E buyers, or qualifying large general service customer.		
SCC Oversight vis-à-vis Impacts of Non-Utility Suppliers on Utilities' Bottom Line. By 1/20/20, SCC shall direct proceedings for utilities to review and determine costs & net benefits that should be allocated to retail customers in a utility's territory who receive electric supply from a supplier other than the utility. SCC shall direct that utility can recover those costs beginning no later than 1/1/2021. Charges and tariffs will then be updated annually.	LL: 1598-1604	
Regulations. SCC shall adopt regs as necessary to implement this section. Regs require participants to verify whether RPS program requirements are met.	LL: 1645-1647	
Retirement of Coal and Gas-Fired Generation Plants		
<p>12/31/24. Retire all (a) coal-fired generating units (b) generating units, 500 MW or more, "principally" fueled by oil. EXCEPTIONS: coal fired units jointed owned by coops (Clover) or owned/operated by Dominion in "the coal field region that co-fires with biomass" (Virginia City Hybrid Center). Also excludes the Mt Storm facilities located in WVA (1700MW).</p> <p>12/31/28. Retire all biomass-fired generating units that do not co-fire with coal (Altavista, Pittslyvania, Southampton – 51MW each).</p> <p>12/31/45. Dominion and ApCo must retire all generating units in Commonwealth that emit carbon as a byproduct.</p> <p>Catch All Exception & SCC Oversight. Utilities may petition SCC for relief if retirement would "threaten the reliability or security of electric service to customers." SCC "shall evaluate reliability" on case-by-case basis.</p>	<p>56-585.5. LL: 1297-1306</p> <p>LL: 1307-1311</p>	<p>Exceptions weaken retirement of coal and gas-fired generation plant provisions. However, because of changing energy economics and RGGI's carbon capping requirements, there is a strong sense by SELC and others that both Clover and Virginia City Hybrid will close sooner than 1945.</p>
Offshore Wind		
Declares that 5200 MW of offshore wind by 2034 is "in the public interest." Construction or purchase by a utility of offshore wind generation facilities with an aggregate capacity of 5200 MW is in the public interest.	56-585.1:11; LL: 1183-	Original bill required Dominion to construct or purchase at least 5200 MW of energy from offshore wind

<p>Construction of a Dominion owned and operated offshore wind facility, no less than 2500 MW and not greater than 3000 MW in is public interest.</p>	<p>1192; 1459-1461</p>	<p>and place 2,600 MW into service by 2030. Final bill appears to rely on the mandatory RPS to force construction. At some point, the RPS requirements will get high enough that utilities can no longer rely solely on existing solar, hydro, and nuclear – and will have to construct new wind (and solar). Need an analysis to determine this point.</p>
<p>Cost Recovery & SCC Review. SCC is required to determine whether costs are reasonable and prudent. However, costs are “presumed” reasonable and prudent if Dominion has (a) complied with competitive solicitation requirements and (b) the projected total levelized cost of energy.... does not exceed 1.4 times the comparative cost... of a combustion turbine generating facility...(c) utility has started construction (for income tax purpose) or has a plan for facility to be in service by 1/1/2028.</p> <p>SCC shall not grant an enhanced rate of return for construction and operation of offshore wind facility.</p> <p>Utility shall develop offshore facility plans for SCC to review that include the following considerations: options to use local workers, economic development benefits to the Commonwealth, opportunities to advance Commonwealth’s workforce and development goals.</p>	<p>LL: 1189-1213</p> <p>LL: 1237 - 1251</p> <p>LL: 1252-1259</p>	<p>SCC authority to review approve costs is significantly reduced. It must approve the costs submitted provided they meet a high cost cap.</p> <p>Original bill established that projects were reasonable and prudent provided that (1) the projects were subject to the bill’s comprehensive competitive procurement procedures; the developer met the bill’s qualified developer requirements; Dominion diligently followed the evaluation criteria and applied selection criteria required by SCC regulations; the project provides an equitable balance of risk and reward to ratepayers, utility, and developers.</p> <p>Final bill’s cost formula incorrectly ties cost recovery to costs of combustion turbines resulting in a much more expensive MW/ hour</p>

		than comparing it to other offshore wind projects.
<p>Competitive procurement. Competitive procurement is required for a “substantial” majority of services and equipment associated with construction, involve 1 experienced developer, & demonstrate economic development benefits to VA. <i>(No SCC oversight of procurement process or detailed criteria)</i></p>	LL: 1246-1251	<p>Original bill required highly detailed competitive procurement process: (1) required Dominion to conduct annual solicitation to purchase from qualified developers RECs for a <i>qualified</i> offshore wind project; (2) established factors to be addressed in each solicitation including (a) detailed plans for securing permits, interconnection approvals; engineering, construction; (b) expected annual energy production verified by 3rd parties etc; (c) budget for each step of the process; (3) analysis of impact on energy costs and rates and specific planning procedures.</p> <p>In evaluating proposals, original bill required Dominion to consider expected ratepayer impacts, financial risk assumed by ratepayers, feasibility of development, construction, operation plans, as reviewed by independent expert.</p>
<p>Non-Bypassable Charge. Cost recovery allocated to all utility customers except PIPP-eligible customers, advanced clean energy buyers, qualifying large general service customer, as a non-bypassable charge.</p>	LL: 1214-1221	<p>This regressive charge is assessed regardless of the amount of energy a ratepayer uses from the grid. If a ratepayer relies on 100% distributed energy, for example, that ratepayer must pay the full freight of the wind generation.</p>

<p>Environment & Fisheries Mitigation Plan. Utility shall submit to SCC environment and fisheries mitigation plan which addresses best management practices and considers the latest science to mitigate impacts to wildlife, natural resources, ecosystems.</p>	<p>LL: 1252-1259</p>	<p>Not clear what authority SCC has to require utility to undertake mitigation plan that incorporates BMP and latest science to mitigate impacts.</p>
<p>Regulations. None</p>		<p>Original bill required SCC to adopt regs governing the competitive procurement and approval process. Bill laid out extensive requirements the SCC must incorporate in their regulations governing competitive procurement. See competitive procurement above</p>
Energy Storage		
<p>2,700 MW of E Storage. Requires Dominion to petition the SCC to construct/acquire 2,700 MW of E storage capacity by 2035. For ApCo – 400 MW. Utilities may construct more provided SCC approves pursuant to 56-580 & 56-585.1.</p> <p>No single E storage project shall exceed 500 MW. Exception: Dominion may “procure” 1 single project of 800 MW</p> <p>Competition: Procurement shall meet competitive protocols; 35% of E storage projects shall be owned and operated by 3rd parties.</p> <p>Non-Bypassable Costs. Costs are allocated to all retail customers as non-bypassable charges.</p>	<p>56-585.5.E LL: 1556-1571</p> <p>LL: 1572-1579</p>	<p>Original bill established mandatory interim targets and required SCC to open up a proceeding to identify & develop mechanisms to implement E Storage targets. It required the SCC to engage stakeholders in this process.</p> <p>Prohibited a single system from being used for more than 25% of the storage target per year. Utilities required to report annually to SCC identifying efforts to meet RPS goals and include a description of efforts to meet E storage target including efforts to meet/exceed interim storage targets; summary of all storage system projects for which utility seeks approval in action plan or distributed resource plan; description of how E storage systems</p>

		are being modeled and considered in planning process; evaluation of cost and benefits for deployment of E storage. These procedural requirements and checks on the utilities have largely been removed.
Regulations. Requires SCC to adopt regs to achieve deployment of E storage, including interim target dates , and update existing utility planning and procurement rules. Regs shall include mechanisms to deploy E storage including competitive solicitations, behind the meter incentives, non-wire alternative programs and peak demand reduction programs.	LL: 1571-1579	Original bill established more detailed requirements that SCC must address in the regulations.
Distributed Solar – Solar Freedom		
3 MW Cap. Expands project size for commercial net energy metering (NEM) from 20 to 25kW for residential customers and from 1 MW to 3MW for non-residential customers.	56-594 LL: 1700-1703; 1797-1801	
3rd Party Purchase Agreements. Raises the cap for 3 rd party purchase agreements pilot projects from 50MW to 500 MW for jurisdictional and 500 MW non-jurisdictional customers in Dominion territory; raised the cap to 40 MW in ApCo territory. Projects must be solar or wind powered generation facility with a capacity of not less than 50 kW and no more than 3 MW is eligible for 3 rd party purchase agreements under a pilot program. If customer is low-income utility customer, or has tax exempt status, then facility can generate less than 50 kW and still be eligible for pilot program.	LL: 1952-1978	
Generating Capacity of Facility. Capacity of generating facility installed after 7/1/2020 shall not exceed 150% in Dominion territory and 100% in ApCo territory of the expected annual E consumption based on previous 12 months of billing	LL: 1711-1719	
6% Cap. Expands NEM by increasing the NEM cap from 1% to 6%, including 1% set aside for low income customers. Provides authority for SCC to raise cap after proceeding per below.	LL: 1787-1796	

<p>Standby Charges. Increased the threshold for standby charges from 10kw to 15 kw for residential systems in Dominion territory. Removes standby charges for ApCo.</p>	<p>LL: 1797-1820-1823</p>	
<p>NEM Proceeding. Requires SCC to conduct a NEM proceeding on the earlier of (a) 2024 for ApCp or 2025 for Dominion or (b) when the aggregate of net metered capacity reaches 3% NEM to evaluate program including amount customers shall pay on utility bills each month for using the utility’s infrastructure and the amount the utility shall pay to appropriately compensate customers. Proceeding shall (a) investigate cost/benefits of NEM; (b) establish cost avoidance by for customer-generators; (c) establish methodology for determining compensation rate for excess generation. SCC must take into account (a) impact of NEM of utility’s long term marginal costs of generation, distribution, transmission; (b) cost of service implications of on other customers within same class, (c) direct and indirect economic impact of NEM to Commonwealth and any other info it “deems relevant, including environmental and resilience benefits of customer-generator facilities.”</p> <p>Regs. SCC may adopt rules or guidelines to administer NEM.</p>	<p>LL: 1797-1819</p>	
<p>RGGI Related</p>		
<p>See, also Va Community Flood Preparedness – RGGI – HB981</p> <p>By 7/1/24, the Air Quality Control Board (Board) shall adopt regs to reduce CO2 emissions from all electricity generating facilities (with nameplate capacity of 25 MW or greater) regardless of fuel type between 2031-2050 that supply (a) 10% or more to grid or (b) more that 15% of its total useful energy to any entity other than the manufacturing facility to which the generating source is interconnected (covered units).</p> <p>Board may establish and implement auction program to sell allowances to carry out regs or may use an existing multistate trading system.</p> <p>Board may establish rules for trading, use of banked allowances and other auction mechanisms to control allowance costs.</p> <p>In adopting regs, the Board shall consider only CO2 emissions from covered units. It shall not provide for emission offsetting.</p>	<p>10.1-1308</p> <p>LL: 43-64</p>	<p>Bill excludes Westrock and International Paper from complying with RGGI.</p>
<p>Limits and Partial Moratorium on New CO2 Emitting Generation Facilities</p>		

<p>Must Meet EE Requirements First. No new generating facility that emits CO2 permitted unless (a) utility has already met EE requirements; and (b) need can't be met more affordably through demand-side resources or E storage resources. SCC must consider the social cost of carbon in its decision. SCC given authority to adopt rules to determine social cost of carbon.</p>	<p>56-581.1 LL: 706-722; 730-734</p>	
<p>Temporary Moratorium on New Carbon Emitting Generating Facilities. Secretaries of Natural Resources & Commerce and Trade must consult with SCC and solicit “appropriate stakeholder” input, in order to make recommendation to the GA by 1/1/22 as to whether the GA should permanently repeal the ability to obtain certificates of public convenience and necessity for any new carbon emitting generating unit. Until that recommendation, SCC is prohibited from issuing any certificate for utilities to own, operate or construct new carbon emitting generating units. Also, must make recommendations on how to achieve 100% carbon free electricity generation by 2045 at least cost to rate payer.</p>	<p>LL: 2006-2018</p>	<p>Moratorium is strengthened by EE provisions that prohibit SCC approval of construction new utility-owned generating facility that emits carbon unless (1) utility has already met the EE requirements; (2) SCC finds that supply side resources are more cost effective than demand-side or energy storage; (3) SCC finds no threat to reliability of electric service</p>
<p>Potential for Permanent Moratorium but not until 1/1/30. If by 1/1/28 Secretaries of Natural Resources & Commerce and Trade determine that the GHG reduction targets are not being met, they shall advise the GA on the necessity and advisability of a moratorium on issuance of permits for new fossil fuel fired generating facilities by 1/1/30</p>	<p>LL: 2041-2046</p>	
<p>Escape Clause. SCC not required to do anything that threatens reliability or security of electric service.</p>		
<p>Low Income, Vets, Individuals in Coalfields</p>		
<p>Impacts on Historically Economically Disadvantaged Communities. Beginning 9/1/2022, and every 3 years thereafter, DMME in consultation with the Council on Environmental Justice and stakeholders shall determine whether implementation of the VCEA disproportionately burdens historically economically disadvantaged communities.</p>	<p>LL: 1999-2005</p>	
<p>Benefits to Local Works and Historically Disadvantaged Communities. In development of energy programs, job training programs and placement of renewable energy facilities, SCC, DMME, Council on Environmental Justice shall consider how these programs benefit local workers, historically economically disadvantaged communities, vets and individuals in coalfield region.</p>	<p>LL: 2019-2029</p>	
<p>Percentage of Income Payment Program (PIPP). Applies to households participating in various state and federal assistance programs.</p>	<p>LL: 202-207; 2042-2057; 2047-2057</p>	

PIPP objectives: (a) reduce energy burden of eligible participants by limiting energy bill to no more than 6% of annual household income if heating source is anything other than electric and to 10% if heating source is electric; and, (b) reduce energy used through participation in weatherization or EE and E conservation education programs

Universal service fee will be charged to retail ratepayers based on kW used, as a non-bypassable service fee, to fund PIPP. Utility recovers administration costs but no profit from money's collected via universal fee.

SCC must issue final order on PIPP by 12/31/20.