

Virginia Alternative Energy & Coastal Protection Act

Support HB 351/SB 571: Funds to Fight Flooding and Support Climate Resilience

The water is coming. Anyone who lives in Hampton Roads knows that flooding has become one of the most challenging public policy issues facing coastal Virginia. The increased warming and rising of ocean waters due to climate change, combined with the area's sinking land, will cause as much as 7.5 feet of sea level rise by century's end, according to the Virginia Institute of Marine Sciences.ⁱ Additionally, the increasing number of severe weather events fueled by climate change is creating budget challenges for local governments throughout the Commonwealth, as localities must find ways to pay for costly flood-related clean-up. It's time for collective solutions throughout all levels of government.

Communities Are Getting Wet. It's Getting Worse. And We Need Solutions Now.

A 2014 report by the Secure Commonwealth Panel advised the state to create a fund to assist localities with the costs of flooding relief and adaptation planning.

As a win-win solution, Virginia should join the Regional Greenhouse Gas Initiative (RGGI), which will provide crucial funds for adaptation measures in Hampton Roads and throughout Virginia while lowering emissions in a way that is proven cost-effective. As outlined in the VCPA, half of the revenues generated from the sale of carbon allowances will help fund resilience efforts. The other half will support economic development in Southwest Virginia, and clean energy and efficiency investments statewide.

Support Action

The Virginia Coastal Protection Act creates Virginia's first dedicated fund to assist localities with implementing the flooding solutions they desperately need.

Fund Flooding Solutions for Virginia

The Dutch engineering firm Fugro estimates that Norfolk needs at least \$1 billion to fully adapt to the flooding threat posed by climate change.ⁱⁱ

The billion dollar price tag equals Norfolk's entire annual operating budget.ⁱⁱⁱ A heavy rain storm in the fall of 2015 caused millions of dollars in damage across the state and could've been much worse. We need proactive solutions.

Invest in Clean Energy and Efficiency

Virginia lags far behind neighboring states in solar energy development and does not have a single wind farm. **Virginia also has an enormous amount of untapped potential in energy efficiency. Virginians pay the nation's 10th highest average residential monthly electricity bills at \$130.04 per month.**^{iv} New investments in these areas will help Virginia catch up in the clean energy sector and lower utility bills through energy-savings.

Stimulate Job Growth in Southwest

Historically low natural gas prices have led to even lower levels of coal production in a region heavily dependent on it. **The FY2016 budget for the Tobacco Commission includes only \$2.5 million for economic development programs in the Southwest Virginia region.**^v More funds for economic revitalization projects would provide a much-needed economic boost for the region.

Reduce Harmful Carbon Emissions

The Clean Power Plan requires Virginia to cut carbon emissions from power plants. Since the program's inception in 2009, **emissions in RGGI states fell at a rate 3 times greater than in non-RGGI states even as the GDP in those states grew 3 percent more than in non-RGGI states.**^{vi} By joining RGGI, Virginia can cost-effectively meet its emission reduction goals in a way that also leads to economic growth.

The Regional Greenhouse Gas Initiative: How It Works



RGGI is a cooperative effort, including nine East Coast states from Maine to Maryland, that caps and reduces carbon emissions from power plants. Under RGGI, power plants in participating states purchase allowances for every ton of carbon pollution that they emit.

RGGI states agree amongst themselves how many pollution allowances to offer for sale each year, thus setting a cap on emissions, and they gradually lower the cap each year. **It's a flexible, market-based system: once states set the carbon cap, power plants decide how to stay below it.** Revenue from the auction of pollution allowances goes back to the states to fund carbon reduction programs and other initiatives of their choosing.

The Virginia Coastal Protection Act: In Detail

The Virginia Coastal Protection Act would require the Governor to seek to join Virginia into the Regional Greenhouse Gas Initiative (or a similar program should one exist at the time). It authorizes Virginia's Department of Environmental Quality to establish guidelines for Virginia's participation in RGGI by June 30, 2017.

The act creates the Commonwealth Resilience Fund, a dedicated source of revenue to help localities fund climate resilience efforts. The fund will hold all proceeds from RGGI auctions and will accept additional appropriations made by the General Assembly. The act specifies that the funds be appropriated in the following manner:

- Statewide Flooding Resilience Efforts – 50%
- Statewide Energy Efficiency and Clean Energy Programs – 35%
- Southwest Virginia Economic Development Assistance – 10%
- RGGI Programmatic Expenses – 5%

RGGI = Revenue

Virginia's participation in RGGI is projected to raise **roughly \$250 million per year** through 2030 in auction allowances.

THE SOLUTION:

Virginia can generate millions of dollars annually to fight climate change impacts and protect citizens from sea level rise by joining RGGI, a regional collaboration to reduce greenhouse gas pollution. Revenue from the sale of pollution auction permits will fund climate resilience efforts, economic development assistance in Southwest Virginia, and clean energy and efficiency programs throughout the Commonwealth.

ⁱ http://ccrm.vims.edu/recurrent_flooding/Recurrent_Flooding_Study_web.pdf

ⁱⁱ http://www.washingtonpost.com/business/economy/in-norfolk-evidence-of-climate-change-is-in-the-streets-at-high-tide/2014/05/31/fe3ae860-e71f-11e3-8f90-73e071f3d637_story.html

ⁱⁱⁱ <http://www.norfolk.gov/DocumentCenter/View/21857>

^{iv} https://www.eia.gov/electricity/sales_revenue_price/pdf/table5_a.pdf

^v http://www.tic.virginia.gov/pdfs/Budget/FY2016Budget_APPROVED.pdf

^{vi} http://acadiacenter.org/wp-content/uploads/2015/07/RGGI-Emissions-Trends-Report_Final.pdf



Contact: Dawone Robinson, Virginia Policy Director, at dawone@chesapeakeclimate.org or 804-767-8983.

Learn more at chesapeakeclimate.org/virginia/safe-coast/