

# Virginia Alternative Energy & Coastal Protection Act

## HB 2018/SB 1471: Funding to Fight Flooding and to Support Climate Resilience

Virginians are poignantly aware that flooding has become one of the most challenging public policy issues facing coastal Virginia. The 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.<sup>i</sup> 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 Flooding. It's Getting Worse. 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 HB2018/SB1471, revenues generated from the sale of carbon allowances will help fund resilience efforts, support economic development in Southwest Virginia, and expand clean energy and efficiency investments statewide.

### Support Action

HB 2018/SB1471 provides dedicated funds to assist localities with implementing the flooding solutions they desperately need.

### Fund Flooding Solutions in 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.**<sup>ii</sup> The billion dollar price tag equals Norfolk's entire annual operating budget.<sup>iii</sup> Heavy rain in the fall of 2016 caused millions of dollars in damage across the state. 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, but **a majority of Virginians are eager for clean energy options**<sup>iv</sup>. New investments in these areas will help Virginia catch up in the clean energy sector. **Energy efficient investments will reduce customers' electricity bills.**<sup>v</sup>

### 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 FY2017 budget for the Tobacco Commission includes \$3 million for economic development programs in the Southwest Virginia region.**<sup>vi</sup> More funds for economic revitalization projects would provide a much-needed economic boost for the region.

### Reduce Harmful Carbon Emissions

Since RGGI's inception in 2009, **emissions in RGGI states fell at a rate 2x greater than non-RGGI states even as the GDP in RGGI states grew 3% more than non-RGGI states.**<sup>vii</sup> By joining RGGI, Virginia can cost-effectively cut greenhouse gas emissions in a way that also leads to economic growth.

## The Regional Greenhouse Gas Initiative: How It Works



Photo: U.S. Navy

RGGI is a cooperative effort, currently comprised of 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. This effectively sets a cap on emissions. The states then gradually lower the cap each year. **It's a flexible, market-based system. Member states set the carbon cap, and then power plants decide how to stay below it.**

Revenue from the auction of pollution allowances goes back to the state to fund carbon reduction programs and other initiatives decided by each state.

## The Virginia Alternative Energy & Coastal Protection Act: In Detail

HB2018/SB1471 requires the Governor to enlist Virginia into the Regional Greenhouse Gas Initiative (or a similar program should one exist at the time) and authorize Virginia's Department of Environmental Quality to establish guidelines for Virginia's participation in RGGI by June 30, 2018.

**The act directs funds into the Shoreline Resiliency 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 to the following areas:

- Statewide Flooding Resilience Efforts
- Statewide Energy Efficiency and Clean Energy Programs
- Statewide Greenhouse Gas Emissions Reductions
- Southwest Virginia Economic Development Assistance

### 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 associated with 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.

<sup>i</sup> [http://ccrm.vims.edu/recurrent\\_flooding/Recurrent\\_Flooding\\_Study\\_web.pdf](http://ccrm.vims.edu/recurrent_flooding/Recurrent_Flooding_Study_web.pdf)

<sup>ii</sup> [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](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)

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

<sup>iv</sup> <http://www.cleanenergyconservatives.com/2016-virginia-clean-energy-survey-results/>

<sup>v</sup> [http://acadiacenter.org/wp-content/uploads/2016/07/Acadia\\_Center\\_2016\\_RGGI\\_Report-Measuring\\_Success\\_FINAL\\_08092016.pdf](http://acadiacenter.org/wp-content/uploads/2016/07/Acadia_Center_2016_RGGI_Report-Measuring_Success_FINAL_08092016.pdf)

<sup>vi</sup> [http://www.tic.virginia.gov/pdfs/Budget/FY2017ProposedBudget\\_APPROVED\\_Public.pdf](http://www.tic.virginia.gov/pdfs/Budget/FY2017ProposedBudget_APPROVED_Public.pdf)

<sup>vii</sup> [http://acadiacenter.org/wp-content/uploads/2016/07/Acadia\\_Center\\_2016\\_RGGI\\_Report-Measuring\\_Success\\_FINAL\\_08092016.pdf](http://acadiacenter.org/wp-content/uploads/2016/07/Acadia_Center_2016_RGGI_Report-Measuring_Success_FINAL_08092016.pdf)



**TAKE ACTION!** If we're serious about protecting Virginians from the effects of recurrent flooding, we must dedicate revenue to fund resilience efforts. To get involved, contact: Stephanie Weber, Virginia Director, at [stephanie@chesapeakeclimate.org](mailto:stephanie@chesapeakeclimate.org) or 804-225-0022. Learn more at [chesapeakeclimate.org/virginia/safe-coast/](http://chesapeakeclimate.org/virginia/safe-coast/)