

## The Virginia Clean Economy Act SB 851

### Frequently Asked Questions

#### What does the bill do?

The Virginia Clean Economy Act (VCEA) sets Virginia on the path to being 100% carbon free by 2045. By reducing carbon pollution, the Commonwealth will do its part in combatting climate change while creating new jobs and economic development, improving health outcomes for all Virginians, and saving Virginia families and businesses money on their utility bills.

#### How does Virginia get there?

The legislation moves Virginia to 100% carbon-free electricity in a cost-effective manner by building off of four pillars that address both the demand and supply of our energy resources.

1. The legislation builds off of Virginia's decision to join the Regional Greenhouse Gas Initiative by establishing a statutory cap on carbon emissions that will reduce overall carbon pollution in the power sector to zero by 2045. The legislation ensures that fossil-fired plants in Virginia do not export dirty energy to other states.
2. The bill prioritizes investments in reducing the overall demand for energy through energy efficiency and establishes the Commonwealth's first Energy Efficiency Resource Standard (EERS), which will require Dominion to achieve a cumulative reduction of five percent in energy consumption between 2021 – 2025.
3. VCEA also removes barriers to rooftop solar for homeowners, businesses, and localities. The legislation expands access to solar energy for localities who had previously reached a 50-megawatt (MW) cap on projects by increasing that total to 500 MW. It also expands the net metering cap from one percent to six percent, increases the threshold for standby charges on residential systems from 10 kilowatts (KW) to 15 KW, and establishes a value of solar proceeding at the State Corporation Commission (SCC) to determine future compensation for net metering once the cap is reached.
4. Finally, the legislation enacts a statewide Renewable Portfolio Standard (RPS) under which Virginia will make meaningful investments in onshore wind, offshore wind, and solar energy. Additionally, the bill requires investments in energy storage totaling 2,700 MW by the state's largest utility.

#### Will this legislation raise electricity bills?

No. In response to cost estimates put forward by the SCC on the cost of the components of the legislation, Advanced Energy Economy engaged 5 Lakes Energy Consultants to do a review of the legislation to estimate total bill impacts in 2030. While there are costs associated with the investments in offshore wind and other renewable resources those costs are more than offset by the savings from energy efficiency that the legislation requires. In total, 5 Lakes estimated the legislation will save the average residential consumer approximately \$3.41 per month on their bill.

### What protections does the legislation include for consumers?

The legislation includes a number of elements to help control the costs of new renewables, reduce electricity bills, and protect low-income ratepayers.

- All of the renewable energy projects developed as a result of this legislation, including offshore wind, will be competitively bid. Additionally, 35% of all projects will be owned by 3<sup>rd</sup> parties ensuring those projects are not put in the rate base.
- The VCEA also includes a program to cap the bills low-income Virginians pay each month to a percentage of overall income helping to alleviate the energy burden these families face each month.

### What does the legislation do to advance environmental justice?

The VCEA seeks to lift up all Virginians through targeted investments in energy efficiency, added environmental justice review, consumer protections, and workforce requirements.

- **Investing in Energy Efficiency:** The legislation imposes specific energy efficiency targets for utilities with specific resources for low-income families, persons with disabilities, and veterans.
- **Environmental Justice Review:** The VCEA requires that every three years the Department of Mines Minerals and Energy, the Council on Environmental Justice and appropriate stakeholders, review and determine whether implementation of the law has a disproportionate burden on historically economically disadvantaged communities.
- **Low-income Protections:** The legislation establishes a new program to cap the percentage of a family's income that can be spent on monthly utility bills while requiring utilities to educate those families on how to access energy efficiency and solar energy.
- **Workforce Requirements:** The VCEA requires that the SCC give added consideration to offshore wind projects that use local labor. Additionally, a 2019 Advanced Energy Economy analysis showed that moving to 100% clean energy could create up to 13,000 new jobs on an annual basis.