

## The Virginia Clean Economy Act (VCEA)

*Requires the State Air Pollution Control Board to adopt regulations to reduce the carbon dioxide emissions from certain electricity generating units in the Commonwealth. Establishes a schedule by which Dominion Energy Virginia and Appalachian Power are required to retire electric generating units located in the Commonwealth that emit carbon as a by-product of combusting fuel to generate electricity and by which they are required to construct, acquire, or enter into agreements to purchase generating capacity located in the Commonwealth using energy derived from sunlight or wind.*

- Establishes a mandatory renewable portfolio standard (RPS) program.
  - Dominion Energy to deliver electricity from 100% renewable sources by 2045
  - Appalachian Power 100% renewable by 2050
  
- Establishes an Energy Efficiency Resource Standard (EERS)
  - For Dominion, a 5% reduction by 2025 using 2019 sales as baseline
  - For Appalachian Power, a 2% reduction by 2025 using 2019 sales as baseline
  
- Declares Energy Efficiency (EE) pilot programs in the public interest if:
  - Program is of limited scope, cost and duration
  - Intended to determine whether a new program would be cost effective
  
- If the utility meets EERS, the State Corporation Commission (SCC) will award a margin equal to the general rate of return on common equity.
  
- Large general service customers who use more than 1 MW (Megawatt) at a single site are exempt if they can demonstrate they have implemented their own effective EE programs.
  
- Requires the SCC to consider the social cost of carbon in any application to construct a new generating facility.
  
- Requires the SCC to ensure development of new energy resources or facilities does not have a disproportionate, adverse impact on historically economically disadvantaged communities.
  
- Declares 16,100 MW of solar and onshore wind to be in the public interest.
  
- Declares 5,200 MW of offshore wind to be in the public interest.

- Declares 2,700 MW of energy storage capacity to be in the public interest.
- Allows for at least 35% of storage assets be owned by a third party.
- Requires Dominion Energy to petition the SCC for approvals for 2,700 MW of storage by 2036.
- Requires Appalachian Power to petition the SCC for approvals for 400 MW of storage by 2036.
- Establishes a deficiency payments fund be administered by the Department of Mines, Mineral, and Energy (DMME) if utilities do not comply with RPS.
  - o 50% of revenue directed to job training programs in historically economically disadvantaged communities (HEDC)
  - o 16% directed to EE measures for public facilities
  - o 30% directed to renewable energy programs located in HEDC
  - o 4% for admin costs
- Requires Dominion Energy Virginia and Appalachian Power to consult with the Clean Energy Advisory Board on how best to inform low-income customers of opportunities to lower electric bills through access to solar energy.
- Establishes a Percentage of Income Payment program for low-income customers.
- Raises net metering caps from one to three MW for individual projects.
- Raises the collective cap from one to six percent of the previous year's adjusted demand forecast.
- Requires DMME to report every three years as to whether the VCEA imposes a disproportionate burden on Historically Economically Disadvantaged Communities (HEDC).
- Declares that it is the policy of the Commonwealth that the SCC, DMME, Virginia Council on Environmental Justice in the development of energy and job training programs, shall consider whether and how those programs benefit local workers, HEDC, veterans, and individuals in the coalfields.
- Authorizes the Board to establish, implement, and manage an auction program to sell allowances to carry out the purposes of such regulations and to utilize its existing regulations to reduce carbon dioxide emissions from electric power generating facilities.