VIRGINIA REGULATORY TOWN HALL

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Proposed Regulation
Agency Background Document

Agency name	State Air Pollution Control Board
Virginia Administrative Code (VAC) Chapter citation(s)	Part VII of 9VAC5-140
VAC Chapter title(s)	Regulation for Emissions Trading
Action title	Repeal CO_2 Budget Trading Program as required by Executive Order 9 (Revision A22)
Date this document prepared	December 7, 2022

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 19 (2022) (EO 19), any instructions or procedures issued by the Office of Regulatory Management (ORM) or the Department of Planning and Budget (DPB) pursuant to EO 19, the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code*.

Brief Summary

Provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.

Executive Order 9 (2022), "Protecting Ratepayers from the Rising Cost of Living Due to the Regional Greenhouse Gas Initiative," requires that the department re-evaluate Virginia's participation in the Regional Greenhouse Gas Initiative (RGGI) and begin regulatory processes to end it. Specifically, the order requires that the department develop a regulation for the State Air Pollution Control Board's consideration to repeal the implementing regulation implementing participation in RGGI (Part VII of 9VAC5-140), and take all necessary steps so that any proposed regulation to the State Air Pollution Control Board can be immediately presented for consideration for approval for public comment in accordance with the Board's authority pursuant to § 10.1-1308 of the Code of Virginia. This regulatory action repeals Part VII of 9VAC-140, and adds transition language in a new section in order that the repeal be implemented without disruption to affected facilities or the market.

Acronyms and Definitions

Define all acronyms used in this form, and any technical terms that are not also defined in the "Definitions" section of the regulation.

APA - Virginia Administrative Process Act
ASNH - Affordable and Special Needs Housing
CFPF - Community Flood Preparedness Fund
CO_2 - carbon dioxide
DCR - Virginia Department of Conservation and Recreation
DEQ - Virginia Department of Environmental Quality
DHCD - Virginia Department of Housing and Community Development
DOE - Virginia Department of Energy
GHG - greenhouse gas
HIEE - Housing Innovations in Energy Efficiency
EO-9 - Executive Order 9 (2022)
kWh - kilowatt hour
MWe - megawatt electrical
NO_X - nitrogen oxides
PDC - planning district commission
PJM - PJM Interconnection
REC - renewable energy certificate
RGGI - Regional Greenhouse Gas Initiative
RPS - Renewable Energy Portfolio Standards
SCC - State Corporation Commission
SO_2 - sulfur dioxide
U.S. DOE - U.S. Department of Energy
VCEA - Virginia Clean Economy Act
WAP - Weatherization Assistance Program
WDR - Weatherization Deferral Repair

Mandate and Impetus

Identify the mandate for this regulatory change and any other impetus that specifically prompted its initiation (e.g., new or modified mandate, petition for rulemaking, periodic review, or board decision). For purposes of executive branch review, "mandate" has the same meaning as defined in the ORM procedures, "a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part."

The mandate and necessity for this regulatory change are described in EO-9 as follows:

> Virginia's participation in the Regional Greenhouse Gas Initiative (RGGI) risks contributing to the increased cost of electricity for our citizens. Virginia's utilities have sold over $227 million in allowances in 2021 during the RGGI auctions, doubling the initial estimates. Those utilities are allowed to pass on the costs of purchasing allowances to their ratepayers. Under the initial bill "RGGI rider" created for Dominion Energy customers, typical residential customer bills were increased by $2.39 a month and the typical industrial customer bill by was raised by $1,554 per month. In a filling before the State Corporation Commission, Dominion Energy stated that RGGI will cost ratepayers between $1 billion and $1.2 billion over the next four years.
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> Simply stated, the benefits of RGGI have not materialized, while the costs have skyrocketed. Re-evaluation of the Initiative represents a meaningful step toward alleviating this financial burden on the

Commonwealth's businesses and households. Regulations must be evaluated in view of the costs and benefits to all Virginians.

According to the U.S. DOE, Virginians pay on average $2,323 per year in non-transportation energy costs, which is higher than the national average of $1,850. The index for electricity rose by more than 13% over the last 12 months, the largest single-year increase since 2006, while the natural gas index rose by 38.4%--the biggest 12-month jump since October 2005. In July 2022 alone, electricity prices rose 1.7% and natural gas prices 8.2%. Considering that Virginia obtains most of its electricity from natural gas, rising natural gas prices have forced electricity prices even higher.

Dominion Energy has filed for 16 rate adjustments over a 12-month period ending July 1, 2022. In May 2022 alone, Dominion filed for a rate increase with the State Corporation Commission (SCC) that could result in monthly rate increases between 12-20% due to rising fuel costs. The cumulative impact of those adjustments results in an increase of $0.022423/kilowatt hour or 18% in Dominion's rates that it charges for delivered electricity. This assumes final SCC approval of the fuel rate adjustment and its agreement to Dominion's request to amortize the fuel adjustment over three years.

According to the most recent data supplied by the Federal Energy Information Administration (2020), the average annual household consumption of electricity in Virginia is 13,140 kilowatt hours. Historically, the average energy consumption in Virginia has increased by 1.38% per year. The cumulative impact of the adjustments described above would increase the average household's bill by approximately $294 per year, but will increase as consumption continues to increase.

The current energy framework in Virginia allows energy providers to also charge ratepayers for the transition and expansion of clean energy infrastructure. For example, the SCC recently approved an application by Dominion for cost recovery associated with its proposed Coastal Virginia Offshore Wind Project. The project consists of 176 wind turbines, each designed to generate 14.7 megawatts, to be located about 27 miles off the coast of Virginia Beach. The project is expected to have a capital cost of $9.8 billion and will likely be the largest capital investment, and single largest project, in Dominion's history. The SCC approved a revenue requirement of $78.702 million for the rate year of September 1, 2022, to August 31, 2023, to be recovered through a new rate adjustment clause. Over the projected 35-year lifetime of the project, for a residential customer using 1,000 kilowatt-hours of electricity per month, the rate adjustment is projected to result in an average monthly bill increase of $4.72 and a peak monthly bill increase of $14.22 in 2027. This is another instance of upward pressure on utility costs with a direct impact on consumers.

These energy cost increases are coming at a time that Virginians can least afford them. As of June 2022, inflation has risen 9.1% on an annual basis, the highest increase in over 40 years. According to the Bureau of Labor Statistics, consumer energy prices are up 41.6% in the last year. The rate of inflation for energy is more than four times the inflation rate of all food items and the Consumer Price Index.

Real wage growth has not kept pace with this rapid inflation, and real wages decreased by 1% in June 2022; over the last year they have decreased 3.6%. This hurts Virginia families, and those families and individuals who can least afford increases in energy costs. According to the American Council for an Energy Efficient Economy, "Black households spend 43% more of their income on energy costs, Hispanic households spend 20% more, and Native American households spend 45% more. Low-income households (those with incomes 200% of the federal poverty level) spend three times more of their income on energy costs than non-low income households."

EO-9 directed the department to provide the Governor with a full report re-evaluating the costs and benefits of participation in RGGI in view of all available data. As detailed above, it is clear that in effect participation in RGGI operates as a direct tax on households and businesses. Since the consumers are utility-captive ratepayers that do not have the opportunity to switch electric providers, they are unable to avoid the pass-through of RGGI costs—whether through a direct rate adjustment clause or incorporation into the base rate of their electricity bill. Emission allowance prices have increased over 146% since Virginia joined RGGI in 2020, and these substantial increases are expected to continue, which in turn will result in increased rates to ratepayers.

The original analysis and consignment auction approach for RGGI was designed on the basis that proceeds would be returned to offset the cost of compliance, and have little impact on electricity prices. However, since this is not how the program was implemented in Virginia, the costs of compliance with RGGI have materialized in higher electricity rates for Virginians. The impact of RGGI and the other factors discussed above on the current state of electricity costs shows a substantial burden placed on Virginians that must be addressed.

Legal Basis

Identify (1) the promulgating agency, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia and Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating agency to regulate this specific subject or program, as well as a reference to the agency's overall regulatory authority.

Statutory Authority

Section 10.1-1308 of the Virginia Air Pollution Control Law (Title 10.1, Chapter 13 of the Code of Virginia) authorizes the State Air Pollution Control Board to promulgate regulations abating, controlling and prohibiting air pollution in order to protect public health and welfare.

Promulgating Entity

The promulgating entity for this regulation is the State Air Pollution Control Board.

State Requirements

EO-9 specifically directs the Director of the Department of Environmental Quality, in coordination with the Secretary of Natural and Historic Resources, to present to the State Air Pollution Control Board a regulation amendment to repeal 9VAC5-140 in accordance with the board's authority pursuant to § 10.1-1308 of the Code of Virginia.

Purpose

Explain the need for the regulatory change, including a description of: (1) the rationale or justification, (2) the specific reasons the regulatory change is essential to protect the health, safety or welfare of citizens, and (3) the goals of the regulatory change and the problems it is intended to solve.

As described in the Mandate and Impetus section of this document, EO-9 describes the necessity for this regulatory change in order to protect public health, safety, and welfare.

Substance

Briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both. A more detailed discussion is provided in the "Detail of Changes" section below.

The purpose of this regulatory action is to repeal Part VII of 9VAC5-140 in its entirety, while adding a new transition section so that the repeal will be effected smoothly.

Issues

Identify the issues associated with the regulatory change, including: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, include a specific statement to that effect.

The primary advantage to the public include reduced residential and commercial energy costs.

The primary advantages to the Commonwealth are reduced energy costs. The Commonwealth will also benefit from greater certainty and transparency in the energy markets.

There are no disadvantages to the public or the Commonwealth associated with this regulatory change.

Requirements More Restrictive than Federal

Identify and describe any requirement of the regulatory change which is more restrictive than applicable federal requirements. Include a specific citation for each applicable federal requirement, and a rationale for the need for the more restrictive requirements. If there are no applicable federal requirements, or no requirements that exceed applicable federal requirements, include a specific statement to that effect.

There are no applicable federal requirements.

Agencies, Localities, and Other Entities Particularly Affected

Consistent with § 2.2-4007.04 of the Code of Virginia, identify any other state agencies, localities, or other entities particularly affected by the regulatory change. Other entities could include local partners such as tribal governments, school boards, community services boards, and similar regional organizations. "Particularly affected" are those that are likely to bear any identified disproportionate material impact which would not be experienced by other agencies, localities, or entities. "Locality" can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulation or regulatory change are most likely to occur. If no agency, locality, or entity is particularly affected, include a specific statement to that effect.

Other State Agencies Particularly Affected

Department of Housing and Community Development (DHCD); Department of Conservation and Recreation (DCR) Flood Preparedness Fund.

Localities Particularly Affected

No locality will be particularly affected by this action.

Other Entities Particularly Affected

Organizations that receive funding from DHCD and DCR; any fossil fuel-fired unit that serves an electricity generator with a nameplate capacity equal to or greater than 25 MWe (megawatt electrical).

Economic Impact

Consistent with § 2.2-4007.04 of the Code of Virginia, identify all specific economic impacts (costs and/or benefits) anticipated to result from the regulatory change. When describing a particular economic impact, specify which new requirement or change in requirement creates the anticipated economic impact. Keep in mind that this is the proposed change versus the status quo.

Impact on State Agencies

For your agency: projected costs, savings, fees, or revenues resulting from the regulatory change, including: a) fund source / fund detail; b) delineation of one-time versus on-going expenditures; and c) whether any costs or revenue loss can be absorbed within existing resources.	It is expected that repealing the regulation will not result in any cost to the department. The sources of department funds to carry out this regulation are currently the general fund and RGGI funds (3% of total auction proceeds for administrative needs), which will no longer be generated. The activities are budgeted under the following programs (codes): Air Protection Permitting (513025); Air Protection Compliance and Enforcement (513026); Air Protection Planning and Policy (513028); and Air Protection Monitoring and Assessment (513029). The ongoing costs will cease with the program.
For other state agencies: projected costs, savings, fees, or revenues resulting from the regulatory change, including a delineation of one-time versus on-going expenditures.	DHCD: Any ongoing expenses associated with administering the program will cease with the program. DCR: Any ongoing expenses associated with administering the program will cease with the program.
For all agencies: Benefits the regulatory change is designed to produce.	The primary benefits of the regulatory change are reduced energy costs, and greater certainty and transparency in the energy markets.

Impact on Localities

If this analysis has been reported on the ORM Economic Impact form, indicate the tables (1a or 2) on which it was reported. Information provided on that form need not be repeated here.

Projected costs, savings, fees, or revenues resulting from the regulatory change.	See ORM Economic Impact form.
Benefits the regulatory change is designed to produce.	See ORM Economic Impact form.

Impact on Other Entities

If this analysis has been reported on the ORM Economic Impact form, indicate the tables (1a, 3, or 4) on which it was reported. Information provided on that form need not be repeated here.

Description of the individuals, businesses, or other entities likely to be affected by the regulatory change. If no other entities will be affected, include a specific statement to that effect.	See ORM Economic Impact form.

Agency's best estimate of the number of such entities that will be affected. Include an estimate of the number of small businesses affected. Small business means a business entity, including its affiliates, that: a) is independently owned and operated, and; b) employs fewer than 500 full-time employees or has gross annual sales of less than $6 million.	See ORM Economic Impact form.
All projected costs for affected individuals, businesses, or other entities resulting from the regulatory change. Be specific and include all costs including, but not limited to: a) projected reporting, recordkeeping, and other administrative costs required for compliance by small businesses; b) specify any costs related to the development of real estate for commercial or residential purposes that are a consequence of the regulatory change; c) fees; d) purchases of equipment or services; and e) time required to comply with the requirements.	See ORM Economic Impact form.
Benefits the regulatory change is designed to produce.	See ORM Economic Impact form.

Alternatives to Regulation

Describe any viable alternatives to the regulatory change that were considered, and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the regulatory change. Also, include discussion of less intrusive or less costly alternatives for small businesses, as defined in § 2.2-4007.1 of the Code of Virginia, of achieving the purpose of the regulatory change.

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1. Repeal the regulation to satisfy the provisions of EO-9. This option is being selected because it meets the stated purpose of the regulatory action.

2. Make alternative regulatory changes to those required by EO-9. This option is not being selected because it would not meet the stated purpose of the regulatory action.

3. Take no action. This option is not being selected because it would not satisfy the provisions of EO-9.

Regulatory Flexibility Analysis

Consistent with § 2.2-4007.1 B of the Code of Virginia, describe the agency's analysis of alternative regulatory methods, consistent with health, safety, environmental, and economic welfare, that will accomplish the objectives of applicable law while minimizing the adverse impact on small business. Alternative regulatory methods include, at a minimum: 1) establishing less stringent compliance or reporting requirements; 2) establishing less stringent schedules or deadlines for compliance or reporting requirements; 3) consolidation or simplification of compliance or reporting requirements; 4) establishing performance standards for small businesses to replace design or operational standards required in the proposed regulation; and 5) the exemption of small businesses from all or any part of the requirements contained in the regulatory change.

See ORM Economic Impact form.

Periodic Review and Small Business Impact Review Report of Findings

If you are using this form to report the result of a periodic review/small business impact review that is being conducted as part of this regulatory action, and was announced during the NOIRA stage, indicate whether the regulatory change meets the criteria set out in EO 19 and the ORM procedures, e.g., is necessary for the protection of public health, safety, and welfare; minimizes the economic impact on small businesses consistent with the stated objectives of applicable law; and is clearly written and easily understandable. In addition, as required by § 2.2-4007.1 E and F of the Code of Virginia, discuss the agency's consideration of: (1) the continued need for the regulation; (2) the nature of complaints or comments received concerning the regulation; (3) the complexity of the regulation; (4) the extent to the which the regulation overlaps, duplicates, or conflicts with federal or state law or regulation; and (5) the length of time since the regulation has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the regulation. Also, discuss why the agency's decision, consistent with applicable law, will minimize the economic impact of regulations on small businesses.

This form is not being used to report the result of a periodic review/small business impact review.

Public Comment

Summarize all comments received during the public comment period following the publication of the previous stage, and provide the agency's response. Include all comments submitted: including those received on Town Hall, in a public hearing, or submitted directly to the agency. If no comment was received, enter a specific statement to that effect.

Commenter	Comment	Agency response
1. About 50 Town Hall commenters	General support for the proposal. Key topics included the effectiveness of the program, and whether the program constitutes a tax and unneeded financial burden.	Support for the proposal is appreciated.
2. About 745 Town Hall commenters, and about 16 individual emails	General opposition to the proposal. Key topics included the legality of the regulatory action, the need for utility structure reform, protection of public health and welfare, and the need to fund resiliency and energy efficiency programs.	The commenters' concerns are acknowledged; detailed responses to specific issues are noted below.
3. About 225 identical emails sponsored by Virginia League of Conservation Voters	In a time of extreme weather and climate impacts, and rising energy costs, RGGI is bringing hundreds of millions of dollars to our state every year to help localities address flooding and sea level rise; and fund energy efficiency improvements for low-income households. An estimated 60% of total proceeds help either low-	The commenters' concerns are acknowledged; detailed responses to specific issues are noted below.

	income individuals directly, or low-income communities. Since January 2021, RGGI has generated upward of $378M for these efforts. With no Plan B to make up this revenue, this action would leave localities without funding to adapt to climate change and protect their communities, while also leaving low-income Virginians behind. Taking Virginia out of RGGI undermines our ability to cut harmful pollution from power plants; dirty air threatens us all, and RGGI is helping drive down pollution. This misguided repeal also imperils our economy. We are one of the fastest growing states for clean energy jobs because of strong policies like membership in RGGI, and we must stay the course to advance the clean energy transition. Lastly, Governor Youngkin lacks the authority to leave RGGI through the regulatory process--our participation is mandated by the General Assembly and only the General Assembly can legally take us out.	
4. Ceres	To reaffirm the sentiments of leading businesses in Virginia, we recognize that climate change poses a material risk to business operations, the livelihood of employees, and the health of Virginia's communities. In March 2020, a coalition of our Virginia based member companies and other large Virginia employers sent a letter in support of Virginia joining RGGI. In January 2022, 11 companies and educational institutions wrote a letter in support of maintaining and building upon Virginia's climate legislation. RGGI is one of many important tools that exist in Virginia to help businesses cut energy costs, avoid the volatility of fuel prices, and stay competitive. Our companies are motivated to make investments in places where we can continue to access these types of policies. We hope Virginia will continue to provide a hospitable environment for spurring clean energy adoption and expansion by	DEQ agrees with the commenters that that climate change represents a serious threat to Virginia's public health and welfare. We note that emissions of CO_2 and other pollutants have been and continue to decrease within Virginia's borders. Such decreases are not directly attributable to participation in RGGI but are primarily the result of other ongoing programs, thus, the health benefits resulting from reduced pollution are not attributable to RGGI participation. These programs include market-driven trends toward cleaner electricity generation (fuel switching, use of solar, etc.) and federal emissions reduction mandates (such as the suite of clean power rules and motor vehicle standards).

	not leaving RGGI. We appreciate the many economic opportunities presented by Virginia's continued transition to a clean energy economy. It is critical that these programs persist to ensure both the state and our companies achieve the shared goals of driving new in-state investment, encouraging innovation, and fostering long-term economic health.	
5. Ceres	RGGI is a cooperative agreement among 11 states; there is no abandonment or relinquishment of state sovereignty or responsibility. RGGI is implemented through a CO_2 Budget Trading Program specific to each member state. Virginia's DEQ coordinates Virginia's participation. Due to the structure of RGGI, member states are allowed to bank emission allowances for future use, which yields substantial flexibility in the trading program.	Participating RGGI states must follow a model rule which is agreed to by all states. Very little flexibility may be realized by states in changes to the model rule, and rightly so--such a regional agreement could not function effectively if there were significant differences among the participants. The fact remains that once a state enters into RGGI, that state must follow in step with every other state with respect to CO_2 budgets, compliance mechanisms, and the overall structure of RGGI. As previously noted, there are additional costs and steps associated with participating in RGGI that are avoided through direct implementation of Virginia programs by Virginia agencies.
6. Ceres	After decades of overinvestment in fossil fuels, Virginia's electric rates have climbed higher than every neighboring regulated state. Under the leadership of both Republicans and Democrats, RGGI states have seen their economies grow faster while utility rates are lower. RGGI states have agreed that at least 25% of the emission allowance value will be distributed for consumer benefit, which is predominantly used for energy efficiency and renewable energy investments. Studies have indicated that this provides multiple benefits of emission reductions, lower electricity bills, and regional job creation. Any adjustment in the utility rate structure should come through legislative reform and not the proven and successful RGGI program.	Virginia is currently a participating RGGI state, and has yet to see the lower utility rates. Over the past 15 years, an average monthly residential bill for a Dominion customer has increased by over \$30 (roughly 34%). Consumer energy prices were up by 41.6% in the last year, with an increase in June 2022 alone of 9%. Natural gas is the predominant fuel in Virginia, and the natural gas price index is sharply higher (+38%), resulting in rate increases amounting to 18%. Furthermore, the cost of allowances continues to increase; these costs are being passed down directly to Virginia consumers. Given the current climate of economic distress, including increasing energy costs to every household and business in Virginia, the benefits of certain carbon control programs must be weighed against their costs, and their effectiveness carefully reviewed. It is important to note that all RGGI costs are passed through to the ratepayers as required by state law. By design, utilities are not penalized for failure to meet RGGI CO_2 emissions limits since they can pass on the costs to the ratepayers. Consumers are unable to avoid these costs because they do

		not have the opportunity to switch electric providers. Other states designed their systems to provide rebates to ratepayers, while the Virginia General Assembly chose to disburse the funds through grant programs. The costs of compliance with the trading rule and participation in RGGI are materializing in higher electricity rates for all ratepayers, and future rate increases due to RGGI are expected and will be tied to the allowance prices which are difficult to predict. We agree that any adjustments to the utility rate structure would require changes to state law that are beyond the purview of this regulatory action or the legal authority of DEQ to implement; however, the fact remains that participation in RGGI is not helping bring utility rates down in Virginia. Moreover, RGGI participation does not comport with the "all of the above" strategy espoused by the Commonwealth's 2022 Energy Plan.
7. Ceres	The market-based mechanisms of RGGI not only ensure that Virginia pursues the most economically efficient carbon reduction pathways, but that the proceeds from RGGI allow for the establishment of energy efficiency programs and the creation and expansion of flood mitigation programs in every corner of the state. Virginia has received approximately $452M in cumulative proceeds since its first auction in March 2021. In terms of health benefits, for the first six years of the RGGI program, RGGI states' improvement in air quality had a cumulative economic value of $5.7B. RGGI accounts for nearly half of the northeastern U.S. post-2009 emissions reductions, which is far greater than those achieved in the rest of the U.S. The estimated avoided cases of adverse children health outcomes from 2009-2020, includes an avoided cost ranging from $191-$350M. This monetary figure represents the prevention of infant mortality, preterm births, respiratory illness, and asthma among our most vulnerable Virginians.	Energy efficiency programs and resiliency measures are indeed needed throughout the state. These programs are obviously costly, and the money to fund them must be obtained one way or another; regardless, such programs should be funded in an open and transparent way, not through a third party. Other sources of funding are available, both state and federal, without the additional costs and complex means of creating and distributing the revenue that the RGGI program imposes. The Virginia General Assembly will also fund important resiliency and energy efficiency programs in future sessions.

8. Virginia Energy Efficiency Council (VEEC); City of Charlottesville; Virginia Conservation Network	RGGI provides unprecedented and irreplaceable funding for energy efficiency improvements in low income residences. Virginia is the only RGGI state that dedicates 50% of its carbon-trading funds to make both new and existing low-income housing more energy efficient, allowing weatherization providers and affordable housing developers to provide safe, affordable and energy-efficient homes to low-income families like never before. Only the General Assembly has the authority to cut off this vital funding source. Virginia's first year in RGGI provided nearly $114M in revenue for low-income energy efficiency housing. Administered by DHCD, the HIEE fund provides capital to make energy efficiency upgrades to residential buildings. From major health and safety repairs on existing housing to the construction of affordable, energy-efficient homes, money from RGGI is being used in every region of Virginia--and is creating high-paying jobs that cannot be outsourced. Along the Eastern Shore, weatherization provider Project:HOMES was able to use RGGI dollars to help the most vulnerable in this community. But something was standing in the way--hazardous living conditions. While the federal weatherization program helps provide energy-efficient upgrades, homes that require major repairs are disqualified from receiving services. That means weatherization providers have had to walk away, or "defer," houses in such disrepair, leaving those most in need living in unsafe, unhealthy and energy-inefficient homes. This is where the state Weatherization Deferral Repair (WDR) program comes in. This RGGI-funded program works in tandem with the federal weatherization program to provide funds specifically for health and	As discussed in the response to comment 7, we agree that these types of projects are important for protecting public health and welfare; however, RGGI is not the only possible source of funding for these types of projects, nor is it the most efficient or transparent means of obtaining this type of funding.

	safety repairs to help vulnerable citizens qualify for weatherization services. Project:HOMES took advantage of this program to make extensive health and safety repairs to 12 homes. The organization hired more than 30 local subcontractors to fix roofs, repair heating and cooling systems and address major mold, electrical and plumbing problems. Once repairs were made through WDR, those homes received weatherization services through the federal program. Those residents now reap on average 20% savings on their utility bills, in addition to living in safer, healthier homes. The Senior Deerfield Apartments in Crewe VA received $93,195 in repairs, including replacement roofs and new HVAC systems. In Shenandoah County, Community Housing Partners used RGGI funds to help weatherize 52 units of low-income housing and put 24 subcontractors to work in the process. And that's just on existing housing stock. RGGI dollars also provide affordable housing developers the financial capital to build and renovate energy-efficient housing for low-income families. In Charlottesville, Piedmont Housing Alliance was awarded RGGI money through the Affordable and Special Needs Housing program to renovate and build over 230 homes. They are committed to making all future housing units more energy-efficient, but that may not be feasible if RGGI funding disappears. People Inc. Housing Group is building a new, energy-efficient 22-unit complex in Abingdon for low-income families, which will include five accessible units for those with disabilities. The RGGI funding received for this project ensures that these units will be as energy-efficient as possible. RGGI funding is a game-changer for the most vulnerable in our communities. While administration	

	officials have suggested that other funding sources could be found to replace RGGI funds, that would be a herculean task. In 2021, the RGGI auctions brought in millions of dollars more than every other energy efficiency program in the state--combined. Virginians can't afford to have these programs disappear.	
9. Northern Virginia Regional Commission (NVRC)	NVRC strongly encourages maintaining participation in RGGI because of the benefits to northern Virginia and the rest of the state from RGGI funding and programing. RGGI funds and programs have helped make northern Virginia climate resilient, socially equitable and economically sustainable. The 2020 law gave DEQ the authority it had lacked previously--to sell allowances directly into the quarterly RGGI auctions and raise revenue for Virginia. But it also requires DEQ to use that new authority, mandating that DEQ "shall seek to sell 100 percent of allowances" in a trading program consistent with RGGI. Thus, Virginia's participation in RGGI is required by the statute. Therefore, any effort to withdraw Virginia from the RGGI program must be approved by the General Assembly. This position was acknowledged by an Attorney General's Opinion dated January 11, 2022. Participation by Virginia in RGGI has led to the establishment of two important funding sources: CFPF, and HIEE. These programs have been provided vital--and at times the only--financial support to help financially-pressed local governments protect marginalized and low-income communities from economic hardship, health threats and environmental degradation. These funds also promote proactive climate resilient planning that supports public, ecologic and commercial health, rather than costly reactive and unplanned remediation. Local governments in	As discussed in the response to comment 7, we agree that these types of projects are important and necessary. We disagree that RGGI is the best means of achieving them. § 10.1-1330 A of the Clean Energy and Community Flood Preparedness Act does require that the department adopt the provisions of Article 4 into the final regulation previously adopted by the board. However, § 10.1-1330 B then goes on merely to authorize the Director to establish an auction program. This is an authorization, not a mandate, and that provision of the code is therefore discretionary.

	northern Virginia have used and will continue to use these funds to support resiliency planning that aids the operations of our region's hospitals, energy and water infrastructure, schools, businesses, and residences. Withdrawing Virginia from RGGI would seriously limit local governments a vital financial mechanism that cannot be replaced. For example, in RGGI funds from CFPF will support these critical resiliency planning activities in 2022: - $3,241,200 City of Alexandria Waterfront Improvement Project Design - $516,500 City of Alexandria Flood Mitigation, Edison and Dale Street Capacity Project Phase I - $11,250 Northern Virginia Regional Commission, Flood Prevention and Protection Study: Northern Virginia Rain Gauge Network Evaluation Alexandria's waterfront is already highly vulnerable flooding from storm events and sea level rise. Funds from the CFPF will help the city and region prevent loss of property, infrastructure, and economic stress. NVRC analysis points to the current threats from flooding: a rise in the water levels of the Potomac River between 3-5 feet would impact property values of parcels along Alexandria's waterfront between the northern boundary of Jones Point Park and Oronoco Park between $35-100M. The ties between Alexandria's flood protection efforts, affordable housing planning and support from CFPF can also be seen in NVRC's Social and Housing Vulnerable Populations interactive mapping tool. This information indicates that the Alexandria flood mitigation project not only supports flood mitigation, but it also is supporting a socially vulnerable community in need of housing support. Alexandria has one of northern	

	Virginia's largest concentrations of socially vulnerable populations. Alexandria is a majority-minority community with approximately 51.5% of renter households over-burdened by housing costs. Flood mitigation planning like that supported by RGGI and CFPF, give the city greater opportunities to protect the low-income families of Alexandria from the threats of flooding. Despite its affluence, northern Virginia has sizeable concentrations of low-income households vulnerable to high energy costs. NVRC has analyzed the number of households earning below 50% of Area Median Income. It is estimated that there are over 170,000 households below this threshold. Since July 2021, RGGI on a statewide basis has invested $27.8M in funds to help 2335 families residing in affordable housing projects. It is estimated that some of these families have incomes as low as 40% of area median income. RGGI funds via HIEE for 2021-2022 also will help low-income households in northern Virginia receive weatherization services: $1.2M for 80 units in Fairfax County and $2.0M for 163 units in Arlington County Currently, RGGI provides long-term, institutional, and reliable funding across the state. As the stressors from climate change escalate, reliance on RGGI-funded programs will rise. Virginia was the first southern state to participate in RGGI and RGGI-funded programs have helped Virginia reduce carbon emissions, create a more stable business environment, protect the state's infrastructure and improve public health at unprecedented rates. It would be unfortunate to slow or halt this progress.	
10. Virginia Chapter, American	Market-driven reductions in air and water pollution have proven highly successful at preserving a healthy environment for children. Building	The commenters' concerns are acknowledges and shared. As discussed elsewhere, these issues must be addressed;

Academy of Pediatrics	on the success of prior programs in the northeast, RGGI reduces air pollution and thereby protects children's health. The health outcomes of RGGI have been characterized in two studies. The first analyzed RGGI's health effects from 2009-2014. Reductions in air pollution associated with the program prevented adverse health outcomes across the northeast from 2009-2014, including 420-510 instances of acute bronchitis, over 200 asthma emergency department visits, more than 8200 asthma exacerbations, and tens of thousands of lost work days. These and other health benefits have resulted in over $5.7B in health and productivity savings. A second study published in 2020 focused on children and the developing fetus. This study found that from 2009-2014, RGGI-associated reductions in air pollution prevented 537 cases of child asthma, 98 instances of autism spectrum disorder and 112 pre-term births. While reducing criteria air pollutants, the program also has reduced carbon emissions from power plants in participating states by almost 50%, a 90% greater reduction than in non-participating states. Protecting children from climate change is a priority of this organization. RGGI is working to protect the health of current and future children. We therefore support Virginia's continued participation in this program.	however, RGGI participation is not the best approach for doing so.
11. Hampton Roads Planning District Commission (HRPDC)	On behalf of the HRPDC board and 17 member jurisdictions, I write to oppose the proposed actions to remove Virginia from RGGI. HRPDC appreciates the concern regarding the increase in energy costs, part of which are due to the state's participation in RGGI. We recognize that any increase in energy costs places significant burdens on Virginia residents and businesses. Securing more	As discussed in the response to comment 6, a balance must be struck between the need for pollution control to protect public health and welfare, and the reasonableness of the costs needed to achieve it. Energy efficiency and resiliency are indeed important concerns that must be addressed--they must be achieved in the most efficient and fiscally responsible means possible.

	affordable energy will help Virginia remain economically competitive and protect our quality of life. However, we also believe that energy costs cannot be the only factor in reconsidering whether the participation in RGGI continues. Crucially, the NOIRA does not consider that Virginia's proceeds from RGGI auctions fund both the HIEE program and the CFPF. RGGI auctions have provided nearly $430M to these programs since March 2021, funding that would not have been possible without participation in RGGI. The Hampton Roads region is significantly vulnerable to both current and future flooding. The CFPF is the only significant source of state funding for local resiliency initiatives and projects. Having a reliable, ongoing, and adequate funding source is critical for addressing resiliency and flooding issues. Until an alternative source of revenue is identified, any decision to remove the state from RGGI will be premature. The HRPDC therefore opposes the regulatory action. We encourage the Administration to consider Virginia's participation in RGGI in the broader context of resiliency and energy efficiency goals.	
12. Town of Blacksburg	The Mayor and Town Council of the Town of Blacksburg urge the board to reject attempts to remove Virginia from RGGI. Participation in RGGI is already yielding tremendous economic benefit and has put the state on a predictable, market-driven path to a clean energy economy. The 10 other states that have participated in RGGI have reduced climate-warming emissions 90% faster than the rest of the country while growing 31% faster economically. Furthermore, it has been asserted that the board does not have clear authority to take this action as detailed in a recent letter signed by 61 state lawmakers.	As discussed elsewhere, DEQ acknowledges that the impacts of carbon and other forms of pollution must be addressed to protect public health and welfare; there are means of achieving this other than participating in RGGI. See the response to comment 9 for further discussion of the board's authority to address this issue by means of the APA regulatory process.

	Evidence continues to mount that continued inaction on GHG emissions could lead to catastrophic changes for Virginians, destabilizing the systems that support and sustain our communities. Millions of people will experience these changes through threats to public health, disruption of national and local economies, and food and water insecurity. Buildings and infrastructure will be increasingly impacted by the severity and frequency of weather events with enormous response and recovery costs falling on resource-strapped local governments. For coastal communities, these threats will be amplified by rising sea levels. We know that nearly early every element of our society is impacted by energy. A step-wise, predictable transition to a clean energy future will preserve our quality of life, improve economic resilience and foster an ethic of responsible stewardship of our shared natural resources and climate. RGGI provides the state policy framework and structure needed to support that transition. Beyond its climate implications, participation in RGGI benefits Virginia in other ways. Residents of RGGI states enjoy lower energy prices: electricity prices in RGGI states dropped by almost 6% while they went up almost 9% throughout the rest of the country. And RGGI has generated $452M to support much-needed low-income energy efficiency programs and flood resilience infrastructure in Virginia. We urge the board to embrace the numerous economic and environmental benefits of Virginia's continued participation in RGGI.	
13. American Lung Association (ALA) Virginia	We strongly oppose the efforts to repeal the regulation implementing Virginia's participation in RGGI. ALA believes that Virginia must continue participation in RGGI to	The commenter's concerns are acknowledged. As discussed elsewhere, the protection of public health and welfare through the control of GHG and other forms

	make meaningful reductions in GHG emissions that protect the health and well-being of Virginians. Our 2022 State of the Air report revealed that some of Virginia's metro areas were named the top places to live while others had much worse results. Ozone and particle pollution can harm the health of all Virginia's residents and of particular risk are children, older adults, pregnant people and those living with chronic diseases – approximately 140,000 children and 580,000 adults are living with asthma in Virginia. Both ozone and particle pollution can cause premature death and other serious health effects such as asthma attacks, cardiovascular damage, and developmental and reproductive harm. Climate change is one of the most urgent threats to human health of the 21st century. Reduction of harmful pollutants caused by burning fossil fuels is critical to improving the local health today and ensuring a stable climate for future generations. Climate change is first and foremost a public health issue and one that creates disproportionate impacts across Virginia's diverse communities. Climate change is making the job of cleaning our air much more difficult as temperatures rise and drive conditions for unhealthy ozone pollution days, among other health challenges. In 2020, Virginia became the first southern state to join RGGI. The RGGI states have established a regional cap on CO_2 emissions. Over time these caps will decline and so will CO_2 and other harmful emissions. For example, a July 2020 study published in Environmental Health Perspectives concluded, "RGGI has provided considerable child health benefits to participating and neighboring states beyond those conventionally considered. Moreover, those health	of air pollution can be better realized outside of the RGGI program.

	benefits are estimated to have significant economic value." Participation in RGGI allows for CO_2 emission to decline in a planned and predictable way to protect health and safeguard our children's future. Since RGGI started emissions have already reduced more than 50%. Through the auction process, it allows funds to be raised to be reinvested into local communities. When the General Assembly passed legislation authorizing participation in RGGI it also outlined initiatives where the revenues should be invested, including 50% for low-income energy efficiency programs, and 45% for the CFPF to address recurrent flooding and rising sea levels. All people are entitled to breathe healthy air and to be free of the adverse health effects of air pollution, especially those who suffer disproportionate exposure from local sources of emissions. ALA strongly opposes efforts to repeal Virginia's participation in RGGI.	
14. James River Association (JRA)	Every two years, JRA releases a comprehensive assessment of the health of the river and ongoing efforts to restore the James. Our 2021 State of the James report found that the effects of climate change, including heavier and more frequent rainfall, will increasingly impact the overall health of the river and our watershed communities. Virginia's participation in RGGI plays a key role in addressing these impacts by reducing carbon emissions and helping communities prepare for flooding. Absent viable alternatives for an emissions reduction program and dedicated flood resilience funding, removing Virginia from RGGI would leave the river and our communities at greater risk, and we urge you to abandon this path. As a market-based, cap and invest cooperative initiative, RGGI has	DEQ recognizes that the continued health of the James River and our other natural resources is essential, as is the protection of human health. See the responses to comments 4 and 7 for a discussion of program effectiveness, and the availability if sources to fund energy efficiency and resiliency programs.

	produced results. DEQ's report to Governor Youngkin regarding the costs and benefits of the Virginia Carbon Trading Rule and RGGI participation agrees that "the RGGI region has a long track record of emissions reductions . . . Since its inception, RGGI emissions have reduced by more than 50%--twice as fast as the nation as a whole--and raised over $4B to invest in local communities." While Virginia's participation is too nascent for data to show state-specific trends, modeling predicts that RGGI participation, with closure of coal electric facilities and renewable energy generation, will put the state on a path to net-zero carbon emissions by 2045. An emissions reduction program akin to RGGI is not just complimentary but, in fact, necessary to meet our carbon free power sector targets. As DEQ's cost-benefit report makes clear, "[i]n the absence of any such program, emissions may not reduce sufficiently to achieve these goals." Removing Virginia from RGGI would cripple our ability to reach our emissions reduction needs, and it would significantly handicap the resources available for communities facing localized flood risks as a result of climate change. Currently, 45% of the proceeds received from RGGI allowances are invested in the statewide CFPF, the only dedicated state funding for critical flood resilience planning and projects. RGGI is the sole source of revenue for the CFPF and has successfully generated over $203M since Virginia's first allowance auction. Of this amount, nearly $46M has been awarded to localities--$28M of which was to localities completely or partially within the James River watershed. This level of state investment, unheard of until now, is greatly needed by communities from our headwaters to our coastal regions. CFPF, and the RGGI	

	proceeds fueling its success, can remove obstacles for localities needing new sources of investment. For example, CFPF can be used for capacity-building and planning initiatives that most federal grant programs will not support. These planning initiatives will help to identify and prioritize where investments can be most impactful. With these plans in place, localities can go on to pursue larger project implementation funds made available through other state and federal initiatives. CFPF dollars can also be used as a match for federal grant programs, increasing Virginia's competitiveness on the national stage. And one out of every four dollars invested in CFPF is set aside for low-income geographic areas. Gutting CFPF's sole source of funding without a viable, reliable alternative in place would make it much harder for localities, particularly low income communities, to address the current and future flood risks. No feasible alternative to RGGI has been proposed that will maintain Virginia's trajectory toward a carbon-free future and guarantee much-needed state funding for local flood resilience efforts. Accordingly, RGGI remains the best bet for mitigating the impacts of and preparing localities for a changing climate, which will increasingly put our rivers and our watershed communities at risk. We urge DEQ to maintain Virginia's participation within RGGI.	
15. National Parks Conservation Association (NPCA)	Virginia is fortunate to host 22 national park sites. Over 20M visitors come to national parks in Virginia and contribute over $1.5B in economic benefit from tourism. Our parks must have clean, healthy air to thrive. RGGI reduces GHG emissions and improves air quality. Decreased pollution translates into public health benefits for all Virginians. Not only does RGGI improve our public health by improving air quality, it generates	Public health and welfare, including the continuing health of Virginia's national parks, are indeed important, and must be protected from the effects of carbon and other forms of pollution. See the response to comment 7 for a discussion of funding, and the response to comment 6 for a discussion of utility structure reform.

	funding for important programs. RGGI funding allows low-income families to have access to energy-efficient homes and localities to better plan for and prevent the flooding we continue to experience during recurrent coastal storms. Rather than repeal this successful program, we urge you to reform Dominion's current monopoly on utility rates that hurt consumers. RGGI is working in Virginia to clean our air, improve our health, and fund important programs that help our citizens. We urge you to continue to build upon the success of this program by keeping Virginia enrolled in RGGI.	
16. The Nature Conservancy	The Nature Conservancy strongly supports Virginia's continued full participation in RGGI and the full distribution of revenue of RGGI funds as prescribed in Code of Va § 10.1-1330. The benefits of RGGI to the state are numerous. Half of the revenue that Virginia acquires through RGGI auctions is designated for low-income energy efficiency programs, including programs for eligible housing developments, administered by DHCD, which has created the HIEE program with the RGGI funds. 1. Using RGGI revenue to reduce wasted energy through energy efficiency is a direct way to lower unnecessary pollution. Since energy efficiency upgrades are being done on households that could not otherwise afford the upgrades, RGGI is directly causing cleaner air through improved energy efficiency. 2. Through energy efficiency improvements, the HIEE program reduces the high energy bills of low-income households. This is a wise investment in Virginia households. Rather than relying on bill assistance programs which must go on indefinitely, HIEE fixes the underlying root of the problem to help families consume less energy in the first place. 3. The HIEE program can provide health benefits to program	We agree that resiliency and energy efficiency projects are essential for protecting public health and welfare throughout the state, however, we do not believe that the RGGI program is the best way to effectuate such programs; see the response to comments 4 and 7 for further discussion.

	participants. Energy efficiency and weatherization improves ventilation and regulates indoor temperature and moisture, leading to lower rates of asthma, allergies, hypertension, heart disease, and other costly medical conditions. 4: The HIEE program is generating economic benefits by hiring local contractors and subcontractors across the state, creating local jobs that cannot be outsourced. There are two components to the HIEE program. First, DHCD uses HIEE funds to make new Affordable and Special Needs Housing more efficient. This investment keeps this housing affordable while also lowering the monthly energy bills for its residents. The second is the innovative WDR program. DHCD administers the federal WAP to low-income households. However, almost 20% of WAP applicants in Virginia are turned down or "deferred" for this program because their home needs repair before it can support the weatherization. Because the residents do not have the funds to repair the building, it does not qualify for WAP upgrades, perpetuating the cycle of paying too-high energy bills. The WDR program invests RGGI revenue to make those repairs in order to unlock the federal WAP dollars. Given that all the benefits of WAP had previously been out of reach for many, leveraging RGGI revenue to tap into federal dollars is important and should continue. The longer Virginia stays in RGGI and puts RGGI revenue to work as designed, the more these benefits will accrue for society. That's important, because the need to improve energy efficiency for low-income households is huge, and the benefits extend beyond the families living in them. There are no other sources of funds that comes close to matching RGGI if these funds are revoked--in 2021, the	

	RGGI auctions brought in millions of dollars more than every other energy efficiency program in the state, combined. The HIEE program has only just begun. The potential benefits of what it can achieve for Virginians with RGGI revenue is substantial. We ask the board to reject proposals to end Virginia's participation in RGGI.	
17. William Penniman	Climate change and air pollution generally are strongly driven by combustion of fossil fuels, and electric utilities are among the largest sources of those emissions. CO_2 is the largest cause of climate change and must be rapidly reduced if we are to have any chance of protecting our children and future generations from severe harm. The Governor's proposal, the rapidly drafted March 11 report to support it and the Agency Background Document are badly flawed. They ignore the dangers and harms from CO_2 emissions and are based on flawed claims about RGGI, electric utilities and consumers. They also ignore the reality that states participating in RGGI have substantially reduced CO_2 emissions while growing their economies faster than non-RGGI states and while improving health outcomes through reduced pollution from electric utilities. The March 11 report makes many sweeping assertions based on very little actual data. It acknowledges that the availability of data is "limited since Virginia has just completed its first year of participation." It ignores the actual benefits achieved by states that have participated longer in RGGI. The NOIRA Background Document repeats many of the same mistakes and adds a collection of prices-are-rising statistics that have nothing to do with RGGI and its benefits and do not differentiate electricity from other parts of the economy. Indeed, the rising cost of natural gas is a good reason to reduce reliance on	Resiliency and energy efficiency projects are indeed essential for protecting public health and welfare throughout the state from the effects of carbon and other air pollution, however, the RGGI program is not the best way to effectuate such programs; see the response to comments 4 and 7 for further discussion.

	fossil fuels, which is one of RGGI's benefits. The report asserts that "participation in RGGI is in effect a direct carbon tax on all households and businesses." One could more accurately characterize it as a fee for emissions, which all economists would agree is a sensible way to link price to causation in order to mitigate harms from an activity like combusting fossil fuels. Moreover, after surveying the recent climate-driven disasters in southwestern Virginia, the Governor said he intended to fund disaster relief and efficiency programs, which would require taxing Virginians based on income or transactions without any linkage to the CO_2 emissions they cause. That general taxation would cost all taxpayers without the incentives from a carbon-based emission fee. It would be still worse to gut funding designed to help residents to reduce their energy bills through energy efficiency improvements or to gut funding to help communities threatened or harmed by accelerating climate change. Gutting such funding is likely what would result from trying to shift such measures to general taxation. The report claims that "RGGI fails to achieve its goal as a carbon 'cap-and-trade' system because it lacks any incentive for power generators to actually reduce carbon-intensive gas emissions." That claim is built on two other misleading claims: that utilities have no incentive to reduce emissions due to cost-based ratemaking and that customers have no ability to reduce their purchases because Virginia's market has not yet open to full competition. Those claims are wrong for several reasons. (a) Utilities' rates are subject to review for imprudent incurrence of costs which can result in limiting recovery of costs that a prudent utility would	

	have avoided. (b) Utilities always have incentives to grow load, which requires them to seek to mitigate costs. (c) Virginia utilities are directed by existing law to reduce their CO_2 emissions over the next 20 years which fits well with RGGI's system. (d) Small and large customers can reduce their purchases of electricity from utilities through greater energy efficiency or conservation practices, by installing solar on their property or by joining a community solar program. Utility prices, including CO_2 charges, will help to drive those consumer decisions, which is what we want in order to mitigate global warming. The report makes the misleading claim that other states return RGGI revenues through rebates. Most offer rebates to support energy efficiency investments by residents, which is what much of what Virginia would do. Some use funds to support adaptation and recovery measures, which is part of what Virginia would do. It is misleading to imply that most or any other states use most of their RGGI revenues to simply return cash to residents. Although it is possible that CO_2 emission charges will raise utilities' per-KWH rates for sales, that would likely be a temporary impact. As utilities shift to zero-carbon energy sources their operating costs will decline both because wind and solar have near-zero operating costs and because that switch will reduce incurrence of RGGI charges. Also, customers' reduced purchases from utilities through energy efficiency or solar energy would offset rate increases and lower bills, while cutting CO_2 emissions. In other words, RGGI's CO_2 charges will do what they are supposed to do: provide incentives to reduce emissions and mitigate climate change.	

	The report says that Virginia's CO_2 emission rates per MWH have been reduced but "mass emissions levels of CO_2 from the Virginia power sector have remained fairly constant over the last 10 years despite a 30% increase in power production." However, continuing to emit the same total amount of CO_2 as in the past will destroy the future for our children. We need to achieve total reductions to limit the accelerating climate change. It is fortunate that renewable energy options have become the cheapest fuel and that there still remains much that can be done to improve energy efficiency. But there is no guarantee that past trends will continue. RGGI's targeting CO_2 emissions is vital to moving Virginia to the net-zero emissions level. The report and Background Document focus on hypothesized utility rate impacts in a vacuum. They ignore the external costs of fossil fuel emissions to human health and climate harms. The primary recommendation of these documents is to turn the clock back to higher emissions. GHG must be cut now and cut rapidly. Virginia's citizens and economy will be badly harmed by removing RGGI's incentives for more rapidly reducing CO_2 and for accelerating energy efficiency.	
18. Climate Action Alliance of the Valley	We take issue with EO-9, which requires DEQ to re-evaluate Virginia's participation in RGGI and begin the regulatory processes to end it. As we noted in our letter of August 25, 2022 to the Governor, in our view DEQ and the board, cannot legally withdraw Virginia from RGGI. The 2022 General Assembly declined to repeal RGGI; therefore the law stands. As VAEEC noted in its October 13 submission, RGGI is performing as intended and many low and middle income Virginians are benefiting from RGGI's revenues. Other funding sources could be found to replace RGGI funds, but finding	As discussed in the response to comment 9, § 10.1-1330 B of the Clean Energy and Community Flood Preparedness Act authorizes the Director to establish an auction program. This is an authorization, not a mandate. We agree that resiliency and energy efficiency projects are essential for protecting public health and welfare throughout the state, however, we do not believe that the RGGI program is the best way to effectuate such programs; see the responses to comment 4 and 7.

	those funds would be a herculean task. Even if other funding sources are identified, there will be a gap in the forward progress made to date and in all likelihood the new sources would not provide the added benefit of reducing Virginia's carbon emissions. We concur with VAEEC's comments. We provided two opinion pieces addressing our substantive concerns with the proposal for Virginia to withdraw from RGGI. Our January 26, 2022 piece argued that Virginia Should Remain In RGGI; our March 25, 2022 open letter to Valley Legislators pointed out that there is no logical reason to withdraw Virginia from RGGI and that the decision to do so must come from the legislature. We stand by our previous opinions. The RGGI auction proceeds that go to the CFPF is and will remain sorely needed. The Governor has pointed out that the need for community resiliency is real and urgent. RGGI is the sole source of revenue for the statewide CFPF, which represents the only dedicated state funding source for flood resilience planning and project implementation for localities, tribes, and soil and water conservation districts across Virginia. The CFPF provides money for capacity-building efforts not usually funded through federal grants and that CFPF dollars can serve as a match for such programs. The need for long-term planning and action—and funding—for recurrent flooding inland and on the coast is real, ongoing, and increasing. There is no justification for pulling Virginia out of RGGI because critical funding that local governments need would disappear, be greatly reduced or be available episodically subject to annual and biennial decisions. The obvious result would mean disproportionate harm to under-resourced, small,	

	rural cities, towns, and counties who cannot address flood risk on their own. This is no time to deprive the CFPF of the RGGI funds. Doing so would make a mockery of the Governor's publicly expressed concerns for places like Buchanan County and certainly would greatly limit Virginia's ability to assist its many vulnerable localities when the worst happens.	
19. Virginia Clinicians for Climate Action (VCCA)	RGGI protects the health of Virginia residents from climate change and air pollution. VCCA strongly opposes efforts to remove Virginia from the program. Climate change is associated with far-reaching adverse health impacts. Worsening extreme weather events place residents of affected communities at risk of injury, death, disrupted medical services and mental health effects. Longer and more intense heat waves increase the risk of heat-related illness, particularly in the elderly, outdoor workers and athletes. More severe allergy seasons worsen exacerbations of asthma, chronic lung disease, and allergic diseases. Infectious disease patterns shift in response to changing climate conditions. Reducing carbon emissions in order to reduce climate change impacts is imperative to protecting public health. Since its inception, RGGI has effectively reduced carbon emissions from electricity generating facilities. States that participate in the RGGI program have reduced their power plant carbon emissions by 50%, outpacing the rest of the country by 90%. Electricity prices have simultaneously declined in RGGI states while increasing in the rest of the country. In addition to CO_2, fossil fuel combustion releases numerous other air pollutants including fine particulate matter, VOCs, NO_X, and SO_2 that are harmful to human health. Adverse health impacts of air pollution include heart attacks, strokes,	Reducing carbon emissions in order to reduce climate change impacts is indeed imperative to protecting public health and welfare. We note in the responses to comment 4 and 7 that the RGGI program is not the most effective means of achieving these important goals.

	asthma exacerbations, chronic obstructive pulmonary disease exacerbations, and preterm births. These harms disproportionately impact low income and racial minority populations. RGGI is already protecting health across the northeast by reducing toxic air pollution. A 2017 study found that from 2009-2014, RGGI-associated reductions in air pollution prevented 420-510 instances of acute bronchitis, 240-540 instances of adult mortality, 8,200 asthma exacerbations, over 200 asthma emergency room visits, and tens of thousands of lost work days. Prevention of these outcomes resulted in over $5.7B in health and productivity savings. A 2020 study found that air pollution reductions associated with RGGI prevented 537 cases of child asthma, 98 instances of autism spectrum disorder, and 112 preterm births in the northeast from 2009-2014. In addition to reducing air pollution, RGGI protects the health of Virginians by providing crucial funding for energy efficiency improvements to low-income families. Through major health and safety repairs on existing homes as well as the construction of affordable energy efficient homes, revenue from RGGI is being used to improve living conditions for residents across the state. These improvements create homes with reduced indoor pollutants, better controlled moisture, and reduced mold. These improvements lower the risk of heart disease, respiratory disease, severe asthma, COPD, and cancer. Since its implementation, the RGGI program has proven highly effective at reducing harmful emissions and protecting health . VCCA therefore strongly supports Virginia's continued participation in the program.	

20 The Pew Charitable Trusts	Virginia's participation in RGGI is pursuant to the Clean Energy and Community Flood Preparedness Act. Repeal of the regulations governing the state's participation in RGGI without the promulgation of replacement regulations appears to be facially inconsistent with the statutory requirements of existing law and will undermine a key flood-preparedness resource funded by RGGI auction revenue. Injecting uncertainty into Virginia's participation in RGGI would have significant adverse impacts for the state. RGGI auction receipts represent Virginia's sole source of funding for community-scale flood mitigation projects and capacity-building through its resourcing of the CFPF. The Fund has accrued more than $203M and dedicated $46M.The National Institute of Building Sciences research shows investing in mitigation has a national average benefit of $6 to every $1 invested in upfront mitigation costs. The Youngkin Administration has repeatedly raised its commitment to mitigating the risk of flooding to Virginians. Efforts to withdraw from RGGI run counter to this priority, and Pew urges the Administration to reverse course.	DEQ disagrees that this action conflicts with state law; see the response to comment 9. Rather than injecting uncertainty into the electricity market, leaving the RGGI program will protect utilities and their customers from the uncertain outcomes of RGGI auctions. As discussed elsewhere, there are other more transparent and stable means of funding important resiliency and energy efficiency projects.
21. American Council for an Energy-Efficient Economy (ACEEE)	Energy efficiency programs reduce energy costs and protect health, making them a powerful tool for mitigating longstanding inequities experienced particularly by marginalized and underserved communities. Proceeds generated from RGGI's quarterly auctions yield millions of dollars of funding that can be used to invest in energy efficiency programs in historically underserved communities. These investments can help ensure an equitable distribution of benefits and avoid placing disproportionate cost burdens on already disadvantaged communities. In short, RGGI makes energy affordable for low-income	See the responses to comments 4 and 7 for a discussion of the need to fund these types of projects, and the clearest, most effective means of obtaining and distributing funding.

	Virginians, in alignment with the objectives of the 2022 Virginia Energy Plan. In recognition of the importance of investing in energy efficiency for marginalized communities, the Clean Energy and Community Flood Preparedness Act requires Virginia to allocate half of its RGGI proceeds to low-income energy efficiency housing programs. In 2021, these proceeds amounted to $114M. These funds are administered by DHCD and go toward the HIEE program. HIEE provides funding to the WDR program and the ASNH program to tackle energy efficiency improvements for both new and existing housing. The WDR program provides crucial health and safety repairs for homes that have been deferred from the federal WAP. WAP provides funding to make low-income homes more energy efficient, but households are often deferred from the program due to health and safety hazards, that make weatherization difficult or unsafe. Using WDR to address preexisting conditions that need to be remediated prior to weatherization lowers the energy burden for low-income households and allows them to reap the benefits of living in safe homes. The ASNH program uses RGGI dollars to develop new affordable housing and renovate existing affordable housing units. Developers that receive this funding must work to greatly increase the energy efficiency performance of the units. Virginia's participation in RGGI reduces energy bills for the state's most vulnerable residents by offering affordable, healthy, and efficient housing. From 2008–2017, other states that participated in RGGI saw a decline in electricity prices by 5.7% while other non-	

	RGGI states saw electricity prices rise by 8.6% during the same time period. RGGI is also a job creator and improves overall air quality and health from decreased pollution. In 2020 alone, investments in energy efficiency using RGGI proceeds created 1,400–1,500 job-years for states involved in the cap-and-invest program. Other analyses have shown that from 2009–2017, RGGI generated over $4B in net economic benefits and resulted in more than 44,000 job-years. Virginians deserve to have these economic benefits of RGGI, and Virginia should avoid taking steps that will jeopardize these benefits. ACEEE urges the board to reject any efforts to withdraw Virginia's participation in RGGI.	
22. Arlington County Office of Sustainability and Environmental Management	RGGI is a high-performance mechanism for delivery of vital services and benefits to Virginia's citizens and businesses. Participation in this market-based program provides direct, cost-effective benefits addressing energy efficiency opportunities for the vulnerable populations and addressing community resiliency. As a cap-and-investment compact, RGGI: - Benefits utilities with a flexible and responsibly paced instrument for decarbonizing its energy resources that is cost-neutral to the utility - Has kept costs for households low, which is especially important for low-income ratepayers, by distributing the expense of investments and allowing utilities to identify the most cost-effective, high-performance approaches to reduce emissions - Funds Virginia programs that generate benefits and co-benefits at a scale that cannot be otherwise duplicated, at a conversely low-cost-of-government - Creates an investment stream that levels opportunity between high- and low-income communities and reduces profound, near- and long-term risk and cost burdens to Virginia constituents	As discussed in the responses to comments 4 and 7, we agree that these types of projects are important; we disagree that the RGGI program is the clearest, most effective means of obtaining and distributing funding to these projects.

	- Benefits utilities with a flexible and responsibly paced instrument for decarbonizing its energy resources that is cost-neutral RGGI's market-based approach allows utilities to meet electricity demands without requiring a specific mix of generation sources, while allowing for flexible decision-making. Utilities can meet the environmental performance requirements of the program in the most cost-effective manner with the flexibility to plan and phase implementation in a responsible path toward a clean energy resource portfolio. The allowance market enables utilities to optimize their approach to decarbonization, encouraging early GHG reductions through allowance banking and multi-year compliance periods. The cost containment reserve mechanism of RGGI mitigates any risk associated with high allowance costs, thus limiting price volatility so utilities can plan energy generating resources for the future with limited uncertainty. At the same time, RGGI is a tailored, mission-specific program that will cease operation once decarbonization goals and defined outcomes are achieved. RGGI has kept costs for households low, which is especially important for low-income ratepayers, by distributing the expense of investment and allowing utilities to identify the most cost-effective, high-performance approaches to reduce emissions. RGGI costs to ratepayers are exceptionally low, and its benefits to the public represent diverse and substantive returns-on-investment. A study by the Analysis Group found that during the 2015-2017 compliance period, RGGI led to \$1.4B in net positive economic activity regionally through investment in energy efficiency, renewable energy, bill assistance, and other measures to reduce GHGs. RGGI has generated over	

	$4B in net economic gain over its first ten years. RGGI auction proceeds have also been used to fund research, education, and job training programs. Further, energy consumers saw a net savings of $220M on energy costs during the 2015-2017 compliance period. Over the first 10 years of the program, CO_2 emissions from RGGI power plants fell 47% regionally while electricity prices in RGGI fell 5.7%, even while prices increased in the rest of the country. The RGGI framework reduces GHGs, as well as other localized pollutants, at low cost. By reducing emissions of NOx, SO_2, and other pollutants that negatively impact air quality, RGGI achieves significant co-benefits in the form of improved public health. A report from Abt Associates found that, from 2009-2014, RGGI saved 300 to 830 lives, avoided 8,200 asthma attacks, and generated $5.7B in health savings and other benefits. Another study found that RGGI avoided 537 cases of childhood asthma. Proceeds from RGGI in Virginia are allocated to the CFPF. In its latest round, this fund provided $13.6M to local and regional governments across the state. This fund awarded over $32M in 2021. RGGI has funded critical, long-deferred investments in flood, encroachment, and subsidence mitigation projects, producing exponentially favorable, long-term returns and substantial reduction of present and future risk. The most recent auction has provided the state $452M in auction proceeds, which have been reinvested in projects and programs benefit residents and businesses across the state. Funding from RGGI auction proceeds unlock investment opportunities that can benefit communities of all income levels,	

	and can be directed to disadvantaged communities. By shifting Virginia's energy system to cleaner, low-carbon, and renewable sources, the state increases energy independence and reduces its exposure to volatility in global energy markets, providing stable energy prices to its ratepayers. These investments create jobs for Virginians. RGGI led to net job creation in all nine participating states from 2015-2017, creating over 14,500 job-years in that period. Over the first 10 years of the program, RGGI created over 44,000 job-years.	
23. Justin M. Wilson, Mayor, City of Alexandria	The City Council of Alexandria urges you to keep Virginia in RGGI. In addition to driving down GHG emissions, which improves air quality and public health, Virginia's participation brings in otherwise unavailable revenue to assist families with energy bills through weatherization funding and flood protection via projects funded by the CFPF. Flooding is the most common and costly natural disaster, and communities across Virginia are experiencing coastal, riverine and stormwater flooding more often, and with greater impacts to homes, businesses, roads, life, health and public safety, than ever before. We know that proactively investing in programs and projects to prevent flooding is a more efficient and effective use of taxpayer dollars than spending on flooding recovery, as exemplified by FEMA research showing that $1 spent on disaster prevention saves up to $7 in recovery costs. Virginia's participation in RGGI provides the sole source of funding for the CFPF, which is currently supported in its entirety by 45% of the revenue generated by our participation in RGGI. To date, the CFPF has granted just over $45M to communities across Virginia in support of flood resilience initiatives and efforts to reduce the impacts of flooding in these communities. But	See the responses to comments 4 and 7 for a discussion of the need to fund these types of projects, and the clearest, most effective means of obtaining and distributing funding.

	the demand far exceeds this level of investment, with over $93M in planning and project requests submitted during Round 3 alone. Localities across the state are working to put the infrastructure in place that can allow our communities to adapt and become more resilient in the face of the impacts of a changing climate. This significant undertaking requires a massive financial commitment that goes far beyond the ability of any single locality to fund with their own resources. As a Commonwealth, we must take advantage of every option to plan for and accelerate this work. This includes the CFPF, which is wholly funded through Virginia's participation in RGGI. In recent years, Alexandria has experienced severe impacts from multiple urban flash flooding events due to intense storms caused by climate change. The Flood Action Alexandria initiative was created in 2021 to accelerate capital projects and operating programs to help mitigate the impacts of flooding caused by these storms. The creation of this initiative coincided with a doubling of the local stormwater utility fee and a shift in resources to develop the Stormwater Management 10-Year Plan to focus on flooding mitigation capital projects and related programs. The city's commitment to investing in flood related infrastructure in Alexandria is clearly reflected in this $197M, 10-year stormwater capacity and spot improvement capital program, with $136M of investment planned over the next five years. In addition to these plans, programs and projects, the city has been awarded approximately $5.5M in CFPF grants, which have allowed us to accelerate these capital projects and bring relief to our community even faster than previously planned. For instance,	

	CFPF funding has allowed the city to begin delivering smaller flood mitigation projects in the equity area of Alexandria well in advance of the FY2026 scheduled funding for the large capacity project planned for this area. In this way, we can protect people and property from flooding ahead of our existing funding schedule while reducing the burden of the stormwater utility fee on rate payers. The CFPF is potentially even more valuable to localities across the state that otherwise would not have the financial resources or professional expertise to even take the first steps toward resilience, including developing flood vulnerability assessments and action-oriented flood mitigation plans. Communities across Virginia need to plan for, mitigate, and build resilience to the climate change impacts being felt today. The dedicated source of funding for the CFPF provided by Virginia's participation in RGGI is critical to our ability to do the work of flood mitigation and resilience planning in our communities.	
24. Levar M. Stoney, Mayor, City of Richmond Virginia	We cannot escape the environmental impacts of climate change that are taking shape in cities across the country, that's why I'm proud of the work that has gone into developing the RVAgreen 2050 plan. This framework is Richmond's equity-centered climate action and resilience planning initiative to reduce GHG emissions 45% by 2030, achieve net zero greenhouse gas emissions by 2050 and help our community adapt to climate impacts of extreme heat, precipitation, and flooding. However, local governments alone cannot solve the climate crisis. RGGI is a commonsense, market-based, cost-effective, and critically important program that cuts harmful carbon pollution while delivering a multitude of benefits to communities across Virginia. The proceeds from RGGI will fund vital	See the responses to comments 4 and 7 for a discussion of the need to fund these types of projects, and the clearest, most effective means of obtaining and distributing funding.

	programs including community flood preparedness and mitigation efforts as well as low-income energy efficiency and housing programs. Richmond has received $1,246,047 in RGGI CFPF funding that is increasing flood protection and improving public safety in some of the most vulnerable and underserved neighborhoods in our community. 80 low-income households in our community are receiving approximately $720,000 in much needed health and safety repairs from the RGGI funded WDR program. The repairs will help these households qualify for weatherization services that will lower utility bills and make the homes more comfortable. I urge the board to continue Virginia's participation in RGGI.	
25. Chesapeake Bay Foundation	RGGI has a demonstrated track record of reducing carbon emissions while funding key climate mitigation needs for the state. Before our participation in RGGI, Virginia had no funding to address the significant and costly impacts of flooding across the state and our energy efficiency programs were substantially underfunded. The cap-and-trade approach of RGGI means Virginia will continually draw down carbon emissions as it moves toward the net zero goals laid out in the VCEA. RGGI provides accountability that the state is taking the necessary steps to meet VCEA objectives while providing the resources to ensure our communities are prepared to handle climate change impacts. We know that cleaning up the bay is a priority for this Administration and so we want to highlight the importance of RGGI to bay restoration. Reducing emissions from fossil fuel production will improve air quality but those same reductions also help improve water quality. Scientists estimate that over one-third of the nitrogen that pollutes the bay comes from airborne	DEQ agrees with the commenter that the Chesapeake Bay is one of our most important natural resources; we disagree that participating in the RGGI program is the most efficient and cost-effective means of obtaining funding for bay protection projects.

	sources. Continuing to reduce NO_X emissions from the burning of coal and gas is a key component of the roadmap to a restored bay. RGGI has a demonstrated record of reducing emissions leading to cleaner air and waters. Climate change impacts such as sea level rise and increased rainfall intensity are already impacting the daily lives of Virginians, but these rising waters are also increasing nutrient and sediment loads to the bay. Increases in water temperature are reducing the bay's ability to hold dissolved oxygen. The Phase III Watershed Implementation Plan estimates 9M pounds in additional nitrogen reductions will be needed throughout the watershed to keep pace with climate impacts through 2025. As we look past 2025, sea level rise and rainfall intensity will continue to increase, bringing additional pollution loads into our waters. Virginia must do its part to reduce global emissions and the RGGI cap and trade approach ensures our numbers will continue to decline in the years ahead. Funds from RGGI are already helping communities across the state respond to climate impacts through the CFPF. The CFPF is the only source of state funding for resilience planning and project implementation, with 100% of those funds coming from RGGI auctions. RGGI has provided more than $200M to the CFPF since Virginia began receiving auction proceeds in 2021. As of today, nearly $46M has been awarded to more than 40 localities. CFPF funds capacity-building initiatives that most federal grant programs do not, providing necessary planning resources that allow localities to pursue larger projects. Grants from the CFPF can also be used as a local match for federal grant programs, making Virginia applicants more competitive for national programs.	

	Without a reliable, long-term funding source like RGGI, localities will be unable to complete flood resilience planning, studies, and implementation they need to address flood risk. CFPF also prioritizes the implementation of nature-based solutions. Major living shoreline projects, that would have otherwise not been built, will now be cleaning Virginia waters while protecting the communities around them. Our participation in RGGI supports bay restoration by funding practices that protect and enhance our waters. Without RGGI revenues localities would be forced to turn to funding sources that do not prioritize nature-based design, or worse, forego adaptation work entirely. Many of the historic approaches to water quantity have negative impacts on water quality which leads to additional financial obligations for the state. RGGI proceeds to the CFPF have an excellent return on investment to the state by prioritizing both safe communities and clean water. CFPF saves Virginia money on disaster response. The goal in building resilient communities is to avoid the catastrophic outcomes and costs in the aftermath of a flood disaster. A recent study from Old Dominion University estimated that sea level rise could cost the state $79B by the end of the century without significant intervention to assist localities. This study was limited to coastal communities but, as we have all seen in Buchanan and elsewhere, climate impacts are not limited to the shoreline. RGGI proceeds are benefitting Virginia taxpayers by addressing the pressing needs of today and mitigating the potential for crushing costs in the future. The Clean Energy and Community Flood Preparedness Act (§ 10.1-1330) includes a strong directive	

	for Virginia to participate in RGGI. We are concerned that any regulatory effort to remove Virginia from the program without clear legislative approval would be in contravention of the legislation, causing confusion, risking litigation, and undermining the deference otherwise due to DEQ.	
26. Center for Climate and Energy Solutions (C2ES)	Virginia's participation in RGGI is key to reaching the state's target of 100% clean electricity by 2050 under the Clean Economy Act. Without complementary policy like RGGI, compliance costs to meet this target will be higher. Nationally, RGGI is crucial to achieving net-zero economy-wide GHG emissions by midcentury, a necessary target to avoid the most catastrophic effects of climate change both in the United States and globally. Carbon pricing is an efficient and cost-effective way to reduce emissions because it creates accountability for environmental costs while allowing flexibility in how companies meet their obligations. Specifically with cap-and-trade programs like RGGI, policymakers can identify the proper emissions target and allow the cap to determine the most efficient price to achieve that level of abatement. Rising carbon prices increasingly unlock investments in mitigation that would have seemed uneconomical in the absence of a carbon price. Importantly, carbon pricing programs generate significant revenue that can be used to offset energy price increases for lower-income households and further support investments in technologies and programs that reduce emissions. In the case of RGGI, much of this revenue has been reinvested either in direct bill assistance for consumers or in energy efficiency measures that directly save households and businesses money. The benefits of implementing market-based	As discussed in the response to comment 7, programs to reduce carbon through direct emissions reductions and energy efficiency, and to mitigate carbon pollution through resiliency projects, are important--and expensive. Participation in RGGI is not the best means of achieving these goals in the most efficient, transparent, consumer-friendly means.

	programs rather than standalone command-and-control regulatory programs are that they provide greater compliance flexibility for covered entities and allow the market to determine the lowest-cost means of producing the greatest emissions reductions. Over the history of its operation, RGGI has demonstrated success in both reducing emissions in participating states while producing economic benefits and creating jobs. Between 2009-2020, RGGI states reduced their power sector emissions 50% from 2008 levels, a rate significantly higher than the nation's aggregate power sector emissions reductions of 39 percent during the same period. During the first three compliance periods, RGGI is estimated to have yielded a net benefit of \$4.7B and more than 40,000 job years to the participating states. In 2020 alone, RGGI invested \$196M across all participating states in energy efficiency, clean and renewable energy, beneficial electrification, GHG abatement, and direct bill assistance. These investments delivered more than \$37Mn to 720,000 households and 38,000 businesses in direct bill assistance in 2020 and an estimated \$2B in energy bill savings over their lifetime for 65,000 households and 800 businesses. Since Virginia's first auction in 2021, Virginia has received more than \$452.2M in proceeds from the quarterly sale of allowances. Half of the revenue is directed toward low-income energy efficiency programs and 45% to the CFPF. Energy efficiency programs like WAP have demonstrated histories of success in reducing customers'' annual energy costs by an average of 12%, making this funding central to reducing low-income customer energy bills, rather than raising them. Support for community resilience is also increasingly	

	urgent. From 2017-2021, the total costs for weather and climate-related disaster events totaled over $788B, more than one-third of the total disaster cost of the last 43 years. With 70% of the state's population residing in coastal Virginia, funding for flood preparedness through RGGI will offer significant relief to a large portion of the state.	
27. Virginia League of Conservation Voters (VaLCV)	The VaLCV opposes removing Virginia from RGGI. Virginia's participation prevents pollution that has increased asthma rates among children, contributed to increased flooding, more frequent severe storms, rising energy costs, and deadly heat waves. At the same time, investments made from RGGI proceeds collected from pollution-emitting power plants return hundreds of millions of dollars to the state every year. These proceeds provide a market-based incentive to transition energy generation to cleaner sources while helping lower energy costs for Virginians in need and assist vulnerable localities in adapting to and mitigating flooding and sea level rise in their communities. Participation in RGGI is required by law and consistent with the official Commonwealth Clean Energy Policy (§ 45.2-1706.1) which aims to produce 30% of Virginia's electricity from renewable energy sources by 2030 and 100 percent of Virginia's electricity from carbon-free sources by 2040. RGGI has a proven track record of success, helping cut pollution at its source and reducing energy cost and volatility–driving our clean energy transition in Virginia. The data affirming RGGI's pollution-reduction success is clear, as the March 11 report issued by DEQ states: "RGGI has a long track record of emission reductions since the beginning of the program." Comparing EPA data from 2020-2021, Virginia's RGGI program slashed energy sector air pollution	See the responses to comments 4 and 7 for a discussion of the need to fund these types of projects, and the clearest, most effective means of obtaining and distributing funding. The legal authority for this regulatory action is detailed in the response to comment 9.

	by 14% in its first year. What's more, while Virginia is a relative newcomer to RGGI, in the decade-plus the program has been in operation, RGGI states have reduced climate-warming emissions reduced power plant carbon emissions by 50%, 90% faster than the rest of the country - while seeing 31% faster economic growth than non-RGGI states. RGGI is a core driver of the domestic clean energy economy, currently bringing good-paying jobs to Virginia. These jobs can benefit from emerging workforce development initiatives that transition those who were excluded from previous economic booms into meaningful, good-paying careers. RGGI directly incentivizes zero-carbon producers who benefit doubly from being able to sell electricity in the generation market at a more competitive price than carbon-emitting sources, and from selling their excess carbon allowances to polluters. This has led to a rapid expansion of clean energy jobs, as well as jobs in energy efficiency. The 2022 U.S. Energy and Employment Report shows the energy sector experienced positive job growth, increasing 4.0% from 2020-2021, outpacing overall U.S. employment. In Virginia, energy jobs increased by 8,330 jobs (4.9%), with 73,119 Virginians employed in energy efficiency. Of the 16,321 Virginians employed in power generation, over 60% (10,001) are employed by zero-carbon facilities. RGGI improves public health. Decreased air pollution results in fewer asthma attacks, premature births, and missed days of school and work. In 10 years, participating states realized $5.7B in public health benefits thanks to RGGI. These harmful pollutants are often concentrated in low-wealth and marginalized communities located more closely to emission sources–	

	causing these communities to experience higher rates of heart attacks, strokes, and asthma. Virginia uses RGGI proceeds to actively mitigate the impact of climate change for those most exposed to its effects, be it through flooding in the mountains, sea level rise along the coast, or rising energy costs during extreme heat events. These funds are designed to be disbursed equitably with an estimated 60% of total proceeds dedicated to helping either low-income individuals directly, or low-income communities. Since its first auction in March of 2021, RGGI has generated approximately $452M in cumulative proceeds. Half of these funds–paid for by polluters for each ton of CO_2 their facilities emit–help provide safe, affordable and energy-efficient homes to low-income families in ways that were never possible before RGGI. Thanks to the energy efficiency investments made to date, including $196M in 2020, consumers are on track to save $15B on their electric bills. Virginians also save money over the long term by reducing our reliance on costly fossil fuels. This summer, Virginians' monthly electric bills increased by $17-25 just to pay for the rising fuel cost associated with coal and methane gas. The RGGI-induced shift from high-cost fuels to zero-carbon sources of electricity with no fuel cost is part of the reason electricity prices have declined in RGGI states while increasing in the rest of the country. Reliance on zero-fuel-cost sources also reduces price volatility, making energy bills more predictable, in addition to more affordable. Forty-five percent of these proceeds provide flexible statewide funding dedicated to localities to plan for and prevent recurrent flooding through the CFPF. RGGI is the sole source of revenue for the statewide CFPF,	

	which is the only dedicated state funding source for critical flood resilience planning and project implementation for localities, tribes, and soil and water conservation districts across Virginia. Of the $203.5M RGGI has generated for the CFPF, nearly $46M has been awarded to more than 40 localities. There is a massive need for this funding. If left unchecked, flooding damages are projected to cost the state $79.1 B. The CFPF funds capacity-building initiatives that most federal grant programs do not, providing critical planning resources that allow localities to pursue larger project implementation requests. The CFPF can also be used as a local match for federal grant programs, making Virginia applicants more competitive for national programs. Without a reliable funding source like RGGI to keep money flowing in the CFPF, localities will be unable to complete necessary flood resilience planning to address current and future flood risk. Notably, 25% of CFPF monies are set aside for low-income geographies and the CFPF prioritizes implementation of nature-based solutions. Small and rural communities already experiencing increasing flood risk can't afford to leave this money on the table. Participation in RGGI is the product of a legislative mandate and the culmination of years of research and review. Starting in 2016, a workgroup with extensive stakeholder engagement produced recommendations for reducing carbon emissions from electric power facilities, concluding in its final report that it is "important and necessary that Virginia work through a regional model, like the established and successful RGGI, in order to both achieve lower compliance costs and address the interstate nature of the electric	

	grid." DEQ then engaged in a multi-year process of developing regulations to regulate carbon emissions from power plants through market-based means, trading allowances through a multi-state program. The original rulemaking began in 2018 and in 2020, the General Assembly passed a law requiring Virginia's participation in RGGI. Following these new requirements, the revised final regulation took effect July 2020. Governor Youngkin lacks the authority to take us out of RGGI through the regulatory process. In addition to being the culmination of a multi-year regulatory endeavor supported by a data- and stakeholder-driven report, our participation in RGGI is mandated by policies the General Assembly passed in 2020. According to an official advisory opinion from the Office of the Attorney General released January 11, 2022: "The Virginia Constitution is clear: the Governor does not have the authority to single-handedly repeal or eliminate a law or regulation that has been passed by the General Assembly." RGGI is consistent with official state policy and has clear benefits to the environment, public health, and state economy. We must not seek to take away the best and only tool Virginia has to simultaneously address climate change-inducing pollution at its source, while helping Virginians deal with effects of climate change.	
28. City of Fairfax	The Environment and Sustainability Division urges the Administration to remain a member-state under RGGI, as a high-performance mechanism for delivery of vital services and benefits to Virginia's citizens and businesses. This market-based program provides direct, cost-effective benefits addressing energy efficiency opportunities for the vulnerable	See the responses to comments 4 and 7 for a discussion of the need to fund these types of projects, and the clearest, most effective means of obtaining and distributing funding.

	populations and addressing community resiliency.	
29. City of Hampton	Currently, proceeds from RGGI allowance auctions are the sole source of funding for the CFPF. Since March 2021, RGGI has generated more than $203.5M to enable the CFPF to provide grants and loans to localities throughout the state in support of resilience projects. These funds have provided a meaningful source of financial support for localities throughout the state. Cities, towns and counties need substantial resources to adapt to changing realities of flooding driven by sea level rise, as well as shifting patterns of precipitation and storm events. The scale of this need is illustrated by the number of applications and awards CFPF has seen to date. To date, 76 applications have been awarded funds, while an additional 32 applications were selected for supplemental review. Like many localities, Hampton's existing challenges with flooding are expected to become more severe in years to come. According to modeling completed for the Virginia Coastal Resilience Master Plan, in the next forty years as much as 65% of the city's land area will be at risk of flooding from coastal events alone as a result of sea level rise. Low-lying roads and land throughout the city are already regularly underwater with nuisance tidal flooding as a result of our changing climate. Hampton has dedicated significant local resources to holistically address the increasing challenge of recurrent flooding, sea level rise, and shoreline erosion. Efforts have included completing multiple local resilience plans and identifying dozens of new implementable projects to reduce the impacts of flooding to our community now and into the future. At the same time, we must continue to invest in maintaining the city's aging	See the responses to comments 4 and 7 for a discussion of the need to fund these types of projects, and the clearest, most effective means of obtaining and distributing funding.

	infrastructure to ensure it remains functional in the face of these threats. The city's stormwater infrastructure network struggles to keep pace with increasing stormwater loads and tidal backflow. The financial burden associated with monitoring and planning for changing flooding impacts, adapting public infrastructure and lands to reduce the severity of flooding, and protecting citizens from these natural hazards far surpasses the City of Hampton's available financial resources. The scale of this challenge requires that localities, Planning District Commissions, the state, and the federal government come together to identify multiple pathways by which the built and natural environment will adapt. Hampton is grateful to have received 7 awards totaling more than $9.5M from the state through the CFPF to date. This funding option has provided us with a financial tool with fewer barriers and greater opportunity for success when compared to federal-level funding opportunities. As a result, we are advancing needed projects that are aligned with the Commonwealth's stated values and goals for coastal resilience more quickly, and are able to dedicate our limited financial resources to other identified project needs. The City of Hampton urges the Administration to continue to build upon the success of the CFPF by either keeping Virginia enrolled in RGGI, or to otherwise ensure that there remains a dedicated source of revenue to finance the CFPF, thus continuing to serve all Virginian citizens through flood mitigation benefits.	
30. William Nuckols, Town of Colonial Beach Planning Commission	As a part of my work as a Commissioner on the Planning Commission, I also head up our Resilience Committee, and as such I've come to know of the great disparity between the need and the	The commenter's concerns are recognized. The responses to comments 4 and 7 provide a discussion of the need to fund these types of projects, and the clearest, most effective means of obtaining and distributing funding.

	ability to fund projects relating to resiliency, particularly those relating to planning and addressing persistent problems of erosion and flooding in our community. I write in support of the continuation of Virginia's participation in RGGI as the linkage between the funding made available from the RGGI auctions and the funds distributed from the state to address serious funding shortfalls for resilience projects to be both logical and appropriate. We have not yet been in a place to receive RGGI funds, not because the town does not need the funding support--quite to the contrary, our needs as a coastal town to be resilient in the face of changing conditions is great. Our lack of RGGI awards is solely because our professional staff is significantly smaller than some of the larger cities who have already been awarded funds to address their coastal resiliency issues. Our town may have not yet been in a place to request funding from the state thus far, but intend to do so if the RGGI funding continues. Removing Virginia from RGGI will eliminate a crucial funding stream that can be applied to address the needs of the Colonial Beach and numerous small to medium size coastal communities like ours. While there are smaller programs that can help communities such as ours, none operate at the scale of that the RGGI fund can support. Our needs are in the millions, and so far only the RGGI program is operating at a scale that can address that level of need. I find the linkage between the rationale for the RGGI collection of funds and the use of those funds as administered by DCR. The linkage between the RGGI auctions and the resulting funds raised to address strengthening Virginia’s resilience is strong and appropriate. Terminating the RGGI program in Virginia before less	

	affluent towns and counties have even had a chance to apply for RGGI funding support is not appropriate. The town needs both time to apply and the continuation of the increases to the fund from RGGI auctions. EO-9 poses that "benefits of RGGI have not materialized," and while that statement may be accurate in some sense, in large part it is because not enough time has passed to allow the need of impacted communities to receive the impact funds from the RGGI program in terms of shovel in the ground projects. Cutting off participation in RGGI now leaves our town, and small to mid-size communities like it, without any opportunity to realize the benefits of RGGI Don't kill the program before it matures enough to have a positive impact on communities such as ours. While the Governor is proposing to end Virginia's association with RGGI, neither the Director of DEQ, the Secretary of Natural and Historic Resources, nor the Governor's office have made any indications where the loss of funding from the RGGI auctions will be made up. Will there be proposals forthcoming to increase the tax burden on Virginians to made up for the loss in RGGI funds, or is the likely outcome that much needed funding for coastal resilience and flood prevention will simply dramatically shrink, leaving our people and our economy more vulnerable as a result? I fear that without RGGI there simply is no funding source available at the scale required to address the threats to Virginia from an evolving level of threats that the RGGI funds could mitigate. I ask that you please reconsider any decisions that would remove Virginia from RGGI and thereby cut off the funding stream that is so greatly needed to address a multitude of projects our town needs to	

	complete to ensure the sustainability of our historic coastal community.	
31. Southern Environmental Law Center (SELC)	Virginia's emissions reduction program took years to develop over multiple administrations. In 2016 then-Governor McAuliffe issued an executive order directing the Secretary of Natural Resources to establish a work group to study and recommend methods for reducing CO_2 emissions from the electric power sector. After almost a year of public engagement, the work group submitted its recommendations. Based on those recommendations, Governor McAuliffe issued an executive directive in 2017, which instructed DEQ to develop regulations to "abate, control, or limit carbon dioxide emissions from electric power facilities" using "market-based mechanisms" that allow for the "trading of carbon dioxide allowances through a multi-state trading program." DEQ and the board engaged in a multi-year public regulatory process that included two rounds of public comment and multiple revisions to the proposed trading program. The board ultimately approved a version of the program in 2019, although the original program's implementation was delayed due to a budget restriction in the state's 2019 budget. This original program used a consignment model, whereby DEQ would have distributed Virginia's allowances to existing power plants in proportion to their historical emissions but would not sell those allowances directly at auction. Had this been the end of the story, future administrations could have changed course by following regulatory processes without involvement of the General Assembly. The original program had been promulgated under the board's general regulatory authority, so in theory, the program could have been modified or repealed under the same general authority. But that is not the end of the story. In 2020, the General Assembly removed the budget restriction and passed a law	The commenter's summary of the background of activities leading to Virginia's current participation is appreciated. Since then, Virginia's participation in the program to date has been evaluated, and it has been determined that Virginia's participation is no longer needed. As discussed elsewhere, funding for energy efficiency and resiliency programs need not be tied to participation in RGGI.

	specifically about Virginia's Emissions Reduction Program and participation in RGGI. The 2020 Clean Energy and Community Flood Preparedness Act requires Virginia to issue the Emissions Reduction Program and participate in RGGI and requires the proceeds from the sale of Virginia's allowances to be used to help low-income families reduce energy bills and localities address recurrent flooding issues. In other words, the General Assembly decided as a matter of law that Virginia would participate in RGGI. The program was no longer subject only to the board's general regulatory authority, but also the specific requirements of the 2020 law. To comply with the new law, DEQ revised the existing 2019 program. Recognizing that the program had already gone through extensive public rulemaking, and had already been delayed a year, the General Assembly expressly exempted this revision process from the APA and required DEQ to issue the revised regulation directly. This exemption meant that the revision did not require public notice and comment, nor did it require board approval. DEQ followed the requirements set forth by the General Assembly and issued a revised regulation establishing the current program in August 2020. Since January 2021, power plants in Virginia must account for their carbon pollution in accordance with the emissions reduction program. Knowing that the supply of these allowances steadily reduces each year, power plant owners and operators must figure out the most cost-effective ways to reduce their emissions over time. Virginia's program is a critical tool to address a major cause of climate change. It also complements another piece of legislation the General Assembly passed in 2020, the VCEA, which sets forth a pathway for a carbon-free electricity sector by mid-century. Virginia's participation in RGGI helps ensure Virginia fulfills the requirements of the VCEA in a sensible, cost-	

	effective way. The program benefits all Virginians in numerous ways: - Through its proven market-based mechanism, the program is working to drive down air pollution and improve public health; - Continued participation in RGGI will help protect customers from rising fossil fuel prices as power plant owners reduce reliance on fossil fuels; - Low-income households are getting their homes weatherized and getting the energy bill relief they need; - Highly efficient affordable-housing units are under construction to help fill the severe affordable-housing gap with units that will come with low energy bills for tenants; and - Localities have access to a dedicated state fund to help address the increasingly devastating flooding that is happening across the state. Undoing the program would severely hamper efforts to reduce air pollution and improve public health, and definitively eliminate those important sources of funding.	
32. SELC	On December 8, 2021, prior to taking office, then-Governor-elect Glenn Youngkin announced his intention to withdraw Virginia from its participation in RGGI. On January 11, 2022, then-Attorney General Mark Herring issued an official advisory opinion concluding that "the Governor may not repeal or eliminate, through an executive order or other action, the enacted statutes and regulations pertaining to the Commonwealth's participation in the Regional Greenhouse Gas Initiative and/or a market-based trading program like the Regional Greenhouse Gas Initiative, or do away with the requirement that electricity producers hold carbon dioxide allowances that equal the amount of their carbon dioxide emissions." As the opinion explains, the "Constitution of Virginia does not grant the Governor the power to	The summary of past actions relevant to Virginia's participation in RGGI is recognized. The purpose of the current regulatory action is to move the Commonwealth forward in a direction that will improve our ability to develop, fund, and implement these important programs in an efficient, cost-effective, and transparent manner.

	suspend laws, and in fact, it requires the opposite that '[t]he Governor shall take care that the laws be faithfully executed.'" In addition, the opinion cites Article I, Section 7 of the Constitution of Virginia, which provides "[t]hat all power of suspending laws, or the execution of laws, by any authority, without consent of the representatives of the people, is injurious to their rights, and ought not to be exercised." On January 15, 2022, the Governor was sworn into office. That same day, he signed EO-9. Rather than attempting to withdraw Virginia from RGGI directly by executive order--which according to former Attorney General Herring would violate Virginia's Constitution--the Governor asked the board to repeal the underlying regulation. Specifically, EO-9 asked the Director of DEQ to develop two repeal tracks for board approval. The first track (Directive 2) involved a proposal to repeal Virginia's program using emergency regulatory authority, i.e., without the normal public comment period, and the second track (Directive 3) involved initiating a full rulemaking process to make the emergency repeal permanent. EO-9 also requested that DEQ create a "report re-evaluating the costs and benefits of participation in the Regional Greenhouse Gas Initiative Inc. in view of all available data, within 30 days." On March 11, 2022, DEQ provided that report to the Governor, which included a draft proposed emergency regulation and a draft NOIRA for a permanent regulation. Attempts to repeal the underlying law failed in the 2022 General Assembly. Meanwhile, on the regulatory track, the administration took no action for nearly six months, despite the claim that repealing RGGI was so urgent it warranted an unprecedented use of	

	the board's emergency regulatory powers. Finally, at the August 31, 2022 board meeting, Acting Secretary of Natural and Historic Resources Travis Voyles announced that the administration had abandoned the emergency regulatory approach and instead would be moving forward with plans to repeal the regulations through the normal APA process, with the goal of withdrawing Virginia from RGGI by the end of 2023. The administration subsequently published a NOIRA in the Register on September 26, 2022, which proposed the development of a regulation to repeal the program.	
33. SELC	As a policy matter, the current administration does not favor Virginia's participation in RGGI. We disagree; the benefits of Virginia's participation in RGGI are clear and backed by a long track record of success. Regardless, neither we, the administration, nor the board gets to decide this policy. The General Assembly decided Virginia's policy in 2020, when it passed the Act and thereby required Virginia's participation in RGGI. As such, it is the board's responsibility to implement this law, not contradict it, which is what repealing the regulation would do. Multiple provisions of the Act make clear that Virginia must join RGGI and that the regulation cannot simply be repealed. Foremost, the Act specifically requires DEQ to issue and implement the regulation establishing the program. The Act mandates that DEQ incorporate the provisions of the Act into the regulation, without any further action by the board or need to undergo regulatory review under the APA, thus giving DEQ and the board no discretion about whether to adopt the regulation. The law expressly requires it. The Act then grants DEQ the authority it had lacked previously: to sell	The commenter's discussion of former administration activities is appreciated. The legal authority for this regulatory action is discussed in the response to comment 9.

	allowances directly like every other state participating in RGGI. The very next sentence then mandates that the Director of DEQ actually use this new authority, requiring the Director to sell the allowances in the RGGI auctions. The Act goes on to require that DEQ and other agencies "prepare a joint annual written report describing the Commonwealth's participation in RGGI, the annual reduction in greenhouse gas emissions," and the use of revenues collected from RGGI auctions--further indicating the General Assembly's intent that Virginia would join RGGI. The Act is thus unequivocal. The General Assembly required the issuance of regulation and mandated that Virginia participate in RGGI. And in 2020 and 2021, agency officials did exactly what the law required. DEQ revised the program as required by statute, and Virginia began participating in RGGI. Pursuant to the General Assembly's mandate, Virginia is selling 100% of its allowances in the RGGI auctions and using the proceeds to help Virginians as specified in the statute, while power plant owners and operators are acquiring the necessary allowances to account for their carbon pollution. Repealing the regulation would contradict the law. Most evidently, the administration has no authority to repeal a regulatory program that the law specifically required to be issued and implemented. And without the program, numerous other statutory provisions will be violated. Virginia will not generate allowances for the Director to sell at auction. The state treasury will be unable to distribute funds in accordance with the statute. The applicable agencies will be unable to report on the state's participation since Virginia will not be a participant. Not only would the repeal under consideration violate the Act, any decision to do so would also amount to a	

	constitutional violation. The board may not suspend or ignore the execution of laws, nor invade the General Assembly's legislative power, including taking actions contrary to statute, which is what repealing the regulation would do. Even though the text of the Act clearly establishes that Virginia must join RGGI, Governor Youngkin nevertheless takes an opposing view, suggesting in public news reports that the Act merely gave DEQ the discretion to decide whether to participate in RGGI. This argument is based on just one sentence of the Act and ignores the fact that the Act specifically mandates the issuance of this regulation, and every other portion of the Act clearly mandates that Virginia participate in RGGI. The Governor's interpretation is a nonsensical reading of the statute that renders provisions of the law meaningless and adds qualifying language to mandatory requirements where no such qualification exists. Not only is the language of the Act clear, contemporaneous statements from lawmakers and regulators clearly show an intention and expectation that the law itself required DEQ to adopt the program so that Virginia would participate in RGGI. For example, after the Act was put on the Governor's desk, then-Governor Ralph Northam issued a press release stating: "The Act establishes a carbon dioxide cap-and-trade program to reduce emissions from power plants, in compliance with the Regional Greenhouse Gas Initiative (RGGI). The Department of Environmental Quality will establish and operate an auction program to sell allowances into a market-based trading program." David Paylor, then Director of DEQ, made similar statements about how the Act required participation in RGGI, as did Senator Lynwood Lewis, a co-sponsor of the legislation.	

	Moreover, a group of over 60 members of the General Assembly, most of whom were members who voted on the Act, recently sent a letter to the board reiterating that Virginia is required by law to participate in RGGI. The Governor's flawed interpretation is also diametrically opposed to the prior positions of DEQ, the board, and the Attorney General's Office. For example, after DEQ issued the regulations establishing the program, the Virginia Manufacturers Association (VMA) challenged the program, asking the Circuit Court for the City of Richmond to declare the program null and void. VMA argued that DEQ had "the optionality to comply with the Act by joining RGGI, another carbon trading program with an open carbon trading market, or by simply implementing the Original Trading Rule," and that therefore those discretionary decisions were not exempted from administrative process. The trade group also argued that the program was an unconstitutional tax and void due to vagueness. In defending the program, the Attorney General's Office explained repeatedly that the Act did not merely provide DEQ with discretionary authority to run a direct auction program; rather, the Act mandated that DEQ actually use such authority by selling the allowances at auction. The court agreed with the Attorney General's Office and denied the VMA challenge in its entirety. Similarly, the Attorney General's Office has also issued opinions concluding that the Act required DEQ to adopt and implement the Emissions Reduction Program, including selling allowances at RGGI auctions--and that this requirement could be reversed only by an act of the General Assembly, not by the Governor, DEQ or board. As these statements show, lawmakers, regulators, and the Attorney	

	General's Office have all consistently understood that the law requires Virginia's participation in RGGI. There is simply no basis for the current administration to take an opposing view--a view that sharply contradicts the law's plain language and the well-established understanding of the law as set forth by numerous officials and lawmakers, and in official court filings. The administration may not repeal the regulation or withdraw Virginia from RGGI absent legislative consent.	
34. SELC	The administration also asserts that the state must leave RGGI because "the benefits of RGGI have not materialized" and RGGI is placing "a substantial burden" on Virginians in terms of higher electricity costs. Both assertions are disingenuous. Virginia has been part of RGGI for less than two years, so it is far too early to reach definitive conclusions about its success. Nevertheless, Virginia has already experienced substantial benefits from participating in RGGI, including reduced emissions (and corresponding improvements in public health) and hundreds of millions of new dollars in dedicated funding for flood prevention, weatherization of low-income homes, and construction of efficient affordable housing. Other RGGI states have experienced similar drops in emissions while maintaining solid economic growth, which indicates that the net benefits to Virginians will only continue to increase in the years to come. Moreover, while we share the administration's concerns about high electricity bills for Virginians, repealing the regulation in no way fixes that problem. Those increases are due to various non-RGGI factors, most notably increases in fossil fuel costs. And, more importantly, the appropriateness of electricity rates is a question for the General Assembly and the SCC--the body the General Assembly has put in charge of evaluating	As discussed in the response to comment 7, the costs of any carbon reduction program will be borne by the state one way or another. We suggest that these costs be managed in the most transparent way possible.

	utility rates. The board and DEQ should be focusing on its charge, namely, abating air pollution. Given that DEQ has said participation in RGGI is necessary to meet the Commonwealth's emissions goals, there is no reason to repeal the regulation and withdraw from RGGI, even if the board had the authority to do so. Perhaps the most important benefit of participating in RGGI is that it will help drive reductions in power plant emissions in Virginia, which represent roughly 30% of the CO_2 emissions in the state. According to DEQ, "an emission reduction program or combination of programs will be required to meet the Commonwealth's climate goals of the [Virginia Clean Economy Act] and the 2045 net-zero carbon emissions goal. In the absence of any such program, emissions may not reduce sufficiently to achieve these goals." Continued participation in RGGI is thus vital to reducing emissions and ensuring that the state meets its climate goals. Moreover, meeting that net zero goal is critical for helping Virginia avoid the worst impacts of climate change. Left unmitigated, it is estimated that sea level rise will cost the state about $56B in financial damages and lead to a $79B decline in economic output by the end of the century. Sea level rise also could place as many as 400,000 Virginia homes and 900 miles of roads in the Hampton Roads area at risk from storm surges, and it would cost hundreds of billions of dollars to replace those homes and roads. Climate-related shifts in precipitation and weather are also expected to cause water shortages in roughly half of Virginia's counties, potentially imperiling agriculture, which is Virginia's largest industry, supporting almost 311,000 jobs with an annual economic impact of $52B. All of these harms are being mitigated by Virginia's participation	

	in RGGI, both by driving down climate changing emissions and by bringing in critical funding for flood planning and projects. Given those long-term needs and goals, it makes sense that the General Assembly would want to ensure that Virginia participated in RGGI. The entire purpose of RGGI is to reduce emissions in participant states, and it has been effective in achieving that goal. As the current administration has acknowledged, "the RGGI region has a long track record of emission reductions since the beginning of the program" The nine states that have participated in RGGI from the outset saw their power plant emissions collectively drop more than 50% between 2009-2020. That net reduction is approximately 90% more than the rest of the U.S., showing that RGGI participation is a key driver of emissions reductions from power plants. Before joining, Virginia, like the other non-RGGI states, did not see its power plant emissions decline during that period. According to DEQ's EO-9 Report, between 2010-2020 (before Virginia joined RGGI), mass emissions for the power sector remained fairly constant with no discernable trend. But ever since Virginia joined RGGI, there has been a clear shift. Since the beginning of 2021, Virginia's power plant emissions have followed the same downward trajectory as other RGGI participants. Virginia's total CO2 emissions in 2021 were over 4M tons lower than in 2020 (28.6M tons v. 32.8M tons), and emissions during the first half of 2022 have been even lower than the same period in 2021 (12.1M tons v. 13.6M tons). While emissions totals can fluctuate, the pattern is obvious--a long period of stagnating emissions before Virginia joined RGGI, followed by a continual year-over-year decrease in emissions after it did so. Moreover, since RGGI is structured so that the number of available	

	carbon allowances decreases 3% year-over-year, there is every reason to expect that those trends will continue. All of this clearly indicates that RGGI helps drive emissions reductions in participating states and that Virginia's efforts to reduce emissions would be severely hampered if it left RGGI. Participation in RGGI provides substantial benefits to Virginians. It will help Virginia reduce a significant source of CO_2, help protect against the worst effects of climate change, and reduce the costs of responding to extreme weather and sea level rise. Reducing emissions also will result in better health for Virginians by reducing particulate matter and other air pollutants. RGGI auctions are bringing in hundreds of millions of dollars per year to the state, which is required to be used on weatherization, flood prevention, and other measures that directly improve the lives of Virginians. Carbon pollution poses a significant threat to Virginians' health, welfare and safety. According to the CDC, the burning of fossil fuels has resulted in negative impacts to air and water quality and been linked to increased incidence of asthma and cardiovascular disease. Climate change also is leading to improved survival rates for vectors like ticks and mosquitos, resulting in increased incidence of disease. Being part of RGGI will undoubtedly improve those health outcomes. One study estimated that in just the first six years of RGGI's existence, emissions reductions from the program resulted in at least $5.7B in health benefits, including avoidance of 39,000 lost work/school days, 8,200+ asthma attacks, and 300–830 excess deaths. A later study identified an additional $200+ million in children's health benefits from reduced particulate contamination.	

	The sales of allowances at RGGI auctions are also netting significant revenues for the state. To date, Virginia has participated in seven RGGI auctions and has sold all of the 40+ million allowances it has placed into those auctions, receiving approximately $452M from those sales. Virtually all of those revenues are being used to respond to critical needs for Virginians--helping low-income households to reduce energy bills and assisting localities across the state with planning for and preventing recurrent flooding. As required by the Act, 50% of the proceeds from the RGGI allowance sales are credited to an account administered by DHCD to support low-income energy efficiency programs, including programs for eligible housing developments. DHCD developed its HIEE program to distribute the proceeds to WDRP and ASNHP. The WDRP funds repairs that have caused homes or units to be deferred from WAP. It is entirely funded by Virginia's sale of allowances in the RGGI auctions. DHCD uses RGGI proceeds for the ASNHA program, which completes energy efficiency upgrades that would not have been feasible otherwise. Through two rounds of applications, DHCD has used over $29M in proceeds from Virginia's allowance sales to help fund 36 high-efficiency affordable housing projects, representing more than 2,200 affordable housing units. These projects are distributed across the state. The Act requires another 45% of RGGI revenues to be placed in the CFPF, administered by DCR to assist localities and their residents affected by recurrent flooding, sea level rise, and flooding from severe weather events. To date, DCR has awarded a total of $45.9M in grants across three rounds of grants to 76 different projects across Virginia.	

	Repealing the program and withdrawing from RGGI would deprive citizens of hundreds of millions of dollars annually toward addressing these important causes. In most cases, RGGI revenues are the sole funding sources for those programs, so they would cease to exist if Virginia no longer participates in RGGI auctions. Leaving RGGI would thus do a grave disservice to Virginians and cause substantial harm to those vulnerable communities.	
35. SELC	The NOIRA and EO-9 Report both incorrectly claim that RGGI is placing a substantial burden on Virginians because RGGI compliance costs are driving rising electricity costs in Virginia. As an initial matter, the board may not premise a repeal based on the fear that Virginia's participation in RGGI might cause electricity rates to rise. The General Assembly expressly authorized utilities to seek to recover RGGI compliance costs from customers through a rate adjustment clause, subject to SCC approval. The board simply has no authority to second-guess the General Assembly's decision or take oversight authority away from the SCC. But moreover, the entire repeal proposal rests upon a flawed premise. RGGI is not driving increases in electricity bills. As of October 26, 2022, there is no active SCC-approved rate adjustment clause for either Dominion or Appalachian Power RGGI compliance costs. In other words, if the administration's illegal repeal took effect immediately, customers would not save a single penny. Even if there were SCC-approved rate adjustment clauses for either utility to cover RGGI compliance costs, electricity prices began increasing long before Virginia's participation in RGGI. Since Virginia re-regulated its electric utilities in 2007, customers have seen significant increases in electricity rates--increases that far exceed RGGI compliance costs.	See the response to comment 6 for further discussion of the utility structure in Virginia.

	The SCC laid this fact out in a report issued in September 2022. SCC figures clearly show that, for both Dominion and Appalachian Power, almost the entire increase in electricity costs has come from rate adjustment clauses, which are SCC-approved requests by utilities to recover costs for specific projects or compliance costs. The report also clarifies that none of these rate adjustment clause-related cost increases are caused by RGGI. Even more recent rate increases are not due to RGGI. According to the same SCC report, factors contributing to increased utility costs include inflation, pandemic recovery, supply chain limitations, and high natural gas and other commodity prices, as well as geopolitical events. RGGI was not listed as a contributing factor. Fuel factor costs add over $35 a month to the average Dominion residential bill--about one-quarter of the total. That includes an approximately $15 monthly increase that Dominion recently applied for (and the SCC approved). Due specifically to increased fossil fuel costs—primarily natural gas and coal, costs which have nearly doubled year over year--Dominion had under-recovered fuel costs by $1B and sought approval to raise the fuel factor significantly to cover this significant shortfall. Notably, this shortfall is for a single year, but at Dominion's request, customers will pay it off over three years. Had Dominion opted to collect its under-recovery over a one-year period, as is typical, bills would have been raised by $24 per month. Moreover, Dominion may seek additional rate increases next year if fossil fuel costs remain high, which they are expected to do. This means customers may face additional bill increases due to fossil fuel costs, before they have even paid off the 1-year, $1B under-recovery. Numerous other rate adjustments are driving up	

	customer bills, most of which are also fossil fuel-related. Dominion customers pay over $17/month for riders specifically related to coal or gas facilities. At present, the sole RGGI-related rate adjustment has been zeroed out, but even if Dominion were to reinstate it, that amount ($2.39/month) would pale in comparison to the fossil fuel-related charges, which total well over $50/months. The same pattern holds true for customers of Appalachian Power. At present, they pay $23/month for fuel factor costs, though the utility has a pending request to raise that amount to over $40/month to address recent increases in fuel costs. If approved, that would mean that between a quarter and a third of Appalachian Power residential customer bills would be fossil fuel-related costs, not to mention another $5+/month for coal and gas-related operations. By contrast, there are no approved RGGI-related surcharges for Appalachian Power customers currently, and less than $4/month is attributable to clean energy or energy efficiency programs. As Appalachian Power itself acknowledges, the best way to reduce customers' bills is to increase use of renewable energy so there is less need for coal and natural gas to generate power. While an almost never-ending proliferation of rate adjustment clauses has undoubtedly driven customer electricity rates up in Virginia, RGGI is not the cause of that increase. The administration has it exactly backwards when it comes to RGGI. As explained previously, without RGGI, Virginia power plant owners failed to reduce emissions from 2010-2020. Had RGGI been in place in Virginia during this time, customers would have been far better protected from the recent rise in fossil fuel costs. Participating RGGI states, for example, saw their emissions drop	

	by 50% between 2009-2020, meaning existing RGGI states were far less reliant on fossil fuels prior to the recent rise in fossil fuel costs. RGGI is a tool that protects customers from a major driver of rising electricity costs--fossil fuel costs--yet the administration seeks to repeal it. Moreover, though electricity prices have increased, Virginia's average retail electricity prices remain below the national average, even since joining RGGI. The average retail price of electricity across all sectors in Virginia is consistently lower than the national average over the last five years. The NOIRA states that "Virginians pay on average $2,323 per year in non-transportation energy costs, which is higher than the national average of $1,850." The administration simply refers to the U.S. DOE for these numbers but does not examine or explain the reasons for this difference. Are Virginians using more electricity? Are homes less efficient? Do they rely on electric heat more than other states? Are retail gas prices higher in Virginia than other states? Without understanding the cause, the administration has no basis for its misguided solution. In fact, repealing RGGI will exacerbate this problem. Continuing participation in RGGI will help lower non-transportation costs in two ways: forcing utilities to reduce reliance on fossil fuels that are currently (and likely to continue) causing significant increases in customer electricity costs; and providing funding to improve home efficiency and lower electricity bills. Moreover, the NOIRA is simply wrong in stating that RGGI operates as a direct tax in which all RGGI compliance costs are passed through directly to consumers with no incentives for the utility to change. Rather, the law permits monopoly utilities to seek recovery of compliance costs, but the utility may recover only those costs the	

	SCC finds to be necessary to comply with the emissions reduction program, in accordance with the statutory standard Customers thus are charged only when the utility tries to recover the costs and the SCC finds the costs necessary. Notably, although Dominion has sought to recover such costs in the past, it recently withdrew that rate adjustment request and the SCC approved that recission, meaning that customers have not been paying any RGGI-related costs for the past several months, even though Dominion continues to participate in RGGI auctions. The data is clear. The real cause of rising electricity costs is not RGGI--utility bills are high due to fossil fuel costs and myriad anti-customer provisions in Virginia's utility code that predate RGGI. Put another way, leaving RGGI will not reduce electricity rates by a single penny. If the administration wants to work to rein in electricity prices, it should recognize that RGGI is a tool that can help protect customers from fossil fuel prices and instead focus efforts on ongoing bipartisan work to reform the ratemaking system. In the last several years and this year, many bills have been introduced that would advance fair energy utility rates and enhance the availability of customer refunds. If the administration wants to reduce Virginians' energy costs, it should focus on the fundamental problems with Virginia's utility regulation.	
36. International Emissions Trading Association (IETA)	In more than a decade of operation, RGGI has only seen one state (New Jersey) leave the first-ever U.S. GHG cap-and-trade system. This departure occurred in close coordination with RGGI Inc., and at the end of a compliance period. RGGI faced minimal impacts from the state's departure, as New Jersey compliance entities were required to meet their compliance obligations at the end of that final period (prior to exit), and most of their allowances were	The commenter is correct that lowering electric bills without creating major market disruptions is essential, which is why DEQ is proceeding along the full APA regulatory path. The strategic goal is to finalize the regulation and ensure that compliance entities meet their final compliance obligations, all to coincide when the current contract with RGGI Inc., expires, and at the close of the current compliance period, at the end of 2023. This glide path has been designed to provide a smooth transition with minimal disruption to current regulatory and

	retired and removed from the program. We urge DEQ to craft regulations that minimize harm to electricity consumers and limit legal challenges as the state opts to leave RGGI by the end of 2023. This approach would help to achieve Governor Youngkin's goal of lower resident's electricity bills without creating major market disruptions. There are estimated 24.4M allowances in circulation held by Virginia entities for their estimated compliance obligations for 2021 and through June 2022. These holdings represent more than $320M in value to the utilities that hold them. Any move by the state to leave the program should be done to ensure these allowances still retain value until the state exits the scheme. In addition, much of the costs of those allowances has already been recovered or will be recovered from ratepayers by utilities. A path that would unilaterally scrap compliance obligations over the existing three-year period would effectively be a financial windfall for utilities, with Virginia residents bearing the brunt of this approach. Put simply, a DEQ decision to remove RGGI obligations would adversely impact electricity consumers, which would conflict with EO-9. Moreover, a regulatory framework that would remove obligations would also be legally fraught as Virginia would have acquired revenue for carbon allowance auctions without requiring entities to prove compliance with the relevant CO_2 program. As a real-life example, the Ontario Premier took a similar approach by stripping CO_2 obligations as the Canadian province left the Western Climate Initiative in 2018. Ontario did not offer refunds for allowances held, and the collective decision resulted	planning processes, and is similar to the approach taken by New Jersey.

	in numerous legal challenges, many of which are still ongoing. IETA urges Virginia to select a path that assures consumers will experience the least impact while not imposing additional legal burdens on the state. Maintaining the RGGI program CO_2 obligations through 2023 before transitioning away from a regulated market will provide certainty to market participants and consumers in Virginia. This approach would be similar to how New Jersey exited the scheme in 2011.	
37. Dominion Energy	Dominion supports the intended action to repeal Virginia's CO_2 Budget Trading program. In 2018, Dominion submitted comments to DEQ expressing concern that linkage to RGGI would result in a financial burden to customers with no real mitigation of regional GHG emissions. The company's position is unchanged despite the fact that Virginia ultimately became a direct participant in RGGI. Indeed, publicly available data suggest that reductions in CO_2 emissions in Virginia attributable to RGGI participation most likely will be offset by emissions increases within PJM states which are not beholden to the RGGI construct. While the regional emissions benefits of RGGI are uncertain, the additional costs borne by Virginia electric customers are clear. Under applicable regulatory law, the costs of CO_2 allowance purchases are recoverable through utility customers' electric rates. The company filed its first petition for approval of Rider RGGI in November 2020, in anticipation of future compliance costs associated with approximately 19M CO_2 allowance purchases per year. While initial cost estimates relied upon an expected allowance price of $6.84/ton, actual costs have exceeded this projection and	Support for the proposal is appreciated. As discussed in the response to comments 4 and 6, emissions reductions may be occurring regardless of RGGI or not, yet the electric rate structure established by Virginia law does not enable utilities to defer passing RGGI costs onto customers.

	continue to climb. Even at this initial cost projection level, typical Dominion residential customers using 1,000 kWh per month experienced a bill increase of $2.39 beginning on January 1, 2022. The company withdrew Rider RGGI from customer bills effective July 1, 2022. Prior to this withdrawal, the company presented estimates placing CO_2 allowance prices about 65% higher than originally projected and estimating that typical residential customer bills could increase by an additional $1.98, for total of $4.37/month. Bill increases for commercial and industrial customers, as well as residential customers using more than 1,000 kWh/month, would be even higher. It is important to recognize that Dominion will not be relieved of its obligation to procure CO_2 allowances until Virginia officially withdraws from RGGI. RGGI compliance costs will continue to accrue in the interim, and subject to regulatory approval, be passed on to customers. Virginia's RPS program incentivizes utilities to invest in renewable energy to comply with binding targets for the percentage of their retail electricity sales which must be matched with RECs from qualifying resources. Compliance with the RPS entails costs from REC purchases and development of eligible energy resources. And to reiterate, RGGI compliance entails costs from CO_2 allowance purchases. Both the RPS program and RGGI participation thus result in costs borne by Virginia electric customers to achieve what is fundamentally the same objective - ongoing reductions in power sector CO_2 emissions. Judge Jagdmann of the SCC, concurring with the Commission's ruling in Case No. PUR-2020-00169, wrote that the proceeding had "raise[d] the question of the need for two separate and distinct	

	modes for achieving carbon reduction," and noted the "potential costly duplications" that could arise. She wrote that, in light of the RPS, "it remains unclear whether the significant cost required for participation in an additional cap-and-trade program – which is expected to cost customers billions of dollars – are necessary for [utility] ratepayers to bear in order to achieve the General Assembly's carbon reduction objectives." Dominion is keenly aware of the need to maintain affordable electric rates and has a long record of rates below the national average as well as best in the business energy assistance programs, most notably our Energy Share Program. Since Virginia's Reregulation Act took full effect in 2008, Dominion's electric rates have remained consistently below the national average and have been very competitive among states in the DC metro area, the mid-Atlantic, and the southeast. We have also had rates well below the RGGI states' average. That said, amid economy-wide inflation and rising fuel costs, it is important to eliminate duplicative regulatory costs. Elimination of the additional RGGI compliance costs would further increase the competitiveness of the company's rates. Dominion is pursuing many projects that directly support the goal of reducing power sector CO_2 emissions and would be pursued irrespective of Virginia's status as a RGGI participant. These include solar and energy storage deployment, distribution grid transformation, RPS compliance, the Coastal Virginia Offshore Wind commercial project, energy efficiency programs, and license extensions for the company's zero-carbon nuclear units. Virginia has made steady progress toward carbon reductions in recent years, and existing statutory provisions will ensure that	

	emissions from the electric sector continue to decline regardless of whether Virginia continues participating in RGGI. RGGI does not further this goal but instead imparts unnecessary additional costs on Virginia customers with no evidence of incremental benefits.	
38. Environmental Defense Fund (EDF)	§ 10.1-1330 requires the executive branch and agencies to implement the state's RGGI regulation. Indeed, the General Assembly ratified the RGGI regulation, with certain specified changes, when it enacted the Virginia Clean Energy and Community Flood Preparedness Act in 2020, § 10.1-1330(A). The agencies could not at that time seek to rescind a regulation ratified by the legislature, and there is no basis in the statute for revisiting the legislature's decision. On the contrary, other provisions in this section confirm an ongoing obligation to carry out the RGGI regulation. Section 10.1-1330(B) authorizes the DEQ Director to "establish, implement, and manage an auction program to sell allowances into a market-based trading program consistent with the RGGI program and this article" and then requires the Director to "seek to sell 100 percent of all allowances issued each year through the allowance auction." Thus, the statute requires the sale of allowances "each year," which assumes the state's ongoing participation in RGGI. The statute also requires allowance sale revenue to be used to fund specific programs such as flood prevention and low-income energy efficiency programs, § 10.1-1330(C). This allocation of funding further emphasizes that participation in RGGI is required because the legislature intended that auction revenue from participation in RGGI fund specific programs enumerated in the statute. Finally, § 10.1-1330(D) requires an annual report "describing the Commonwealth's participation in RGGI, the annual reduction in GHG emissions, the	The response to comment 9 addresses legal authority issues. See the response to comment 4 for a discussion of emissions reductions, and the response to comment 7 for a discussion of funding challenges and opportunities. Utility rates and structure are covered in the response to comment 6. Environmental justice issues are addressed in the response to comment 39..

	revenues collected and deposited in the interest-bearing account maintained by the Department pursuant to this article, and a description of each way in which money was expended during the fiscal year." If participation in RGGI were optional, this annual reporting requirement would be superfluous. Yet the General Assembly chose to include this reporting requirement, further indicating that Virginia's participation in RGGI is required by statute. Given the many ways the statute makes it clear that participation in RGGI is required by Virginia law, neither the board nor DEQ has the legal authority to end participation in RGGI. The agencies' authority and actions are bound by Virginia's statutory requirements--requirements that only both houses of the General Assembly and the Governor, acting in concert, may alter. RGGI has a long-proven record of emission reductions--a fact that DEQ acknowledged in its own report to the Governor. Continuing in this program would help Virginia achieve its stated goal of achieving a net-zero carbon economy by 2050. With unprecedented droughts, wildfires, floods and heat waves impacting communities nationwide, it's clear to Virginians that climate change is no longer a distant threat. The state has experienced eight different billion-dollar disaster events in 2021 alone. August 2022 was the hottest August recorded in North America and the second warmest August globally. These climate-powered disasters are a national security concern as well as an environmental one. The Hampton Roads area is home to dozens of military installations, including Naval Station Norfolk, the world's largest naval facility which supplies 46% of the regional economy. Funds brought in from RGGI auctions go towards bolstering Virginia's coastal resilience and	

	flood preparedness, ensuring military operations can continue to be run smoothly in the Hampton Roads region. Withdrawing from RGGI means removing the only source of funds for programs that help communities build resilience in the face of flooding and other climate threats. Only the General Assembly has the authority to cut off this vital funding source. Virginia is ranked 10th in the nation for clean energy employment with 88,370 jobs. Clean energy industries are poised for growth as Virginia continues to invest in its clean energy economy through RGGI. Analyses of the RGGI program have shown that growing jobs in the clean energy economy, reducing pollution, and investing in workers and local communities has substantial net benefits. One analysis found that over its first three compliance periods, RGGI created nearly 16,000 job-years in the region and in that same period added $1.4B of value to the economy. According to a new analysis of RGGI through 2017, the program has created over $4B in net economic gains and over 44,000 job-years of employment. Virginia has received approximately $452M in cumulative proceeds since its first auction in March 2021. Virginia Code mandates that 45% of those funds for their statewide Community Flood Preparedness Fund and 50% supports low-income energy efficiency programs. Program-wide, 18% of 2020 RGGI investments and 14% of cumulative RGGI investments went to clean and renewable energy projects across all participating states, which are expected to return over $600M in lifetime energy bill savings while also avoiding the release of over 1.7M short tons of CO_2. Direct bill assistance programs, also a priority investment area for RGGI, received 19% of 2020 RGGI investments and 16% of cumulative RGGI	

	investments, and have returned over $37M in credits or assistance to consumers. Investments from RGGI have saved money for participants on energy bills, while creating jobs and reducing carbon emissions. These investments are projected to save participants an estimated $2B over their lifetime on energy bills, while also avoiding the emission of 6.7M short tons of CO_2. Virginia also stands to receive investments from the passage of the Bipartisan Infrastructure Law, which allocated about $65M for weatherization and $5.5M to help prevent outages and make the power grid more resilient in Virginia. The Inflation Reduction Act helps consumers by making it more affordable for Virginia families to purchase energy efficient appliances, make repairs around their homes, and save money on their utility bills each month through new tax credits and rebates. RGGI's policies work in tandem with federal investment programs. Virginia will miss out on being a leader in the clean energy economy if it goes backward on state policy at the very moment that the federal government and businesses are injecting hundreds of billions into spurring the clean energy economy. Analysis from EDF also shows that federal programs will catalyze hundreds of billions of dollars in clean energy investment from the private sector. As of this summer, about 1 in 6 American households were behind on utility bills, as energy prices rose to the highest level in nearly 15 years. Gas provides about 37% of electricity in the US and the price of gas has tripled since the middle of last year. The U.S. Energy Information Administration also forecast in the September report that average residential electricity prices for this year would be 7.5% higher than in 2021, largely due to high natural gas prices.24	

	Virginians have the 10th highest average monthly residential electricity bills in the country. In 2022, Virginians paid on average $148.15 per month for residential electricity – $11 above the national average. In 2022, Virginia's electricity price was 13.53 cents/kWh compared to 12.02 in 2020. Renewables like solar panels can deliver power to 650 homes for one hour at $31-111 a megawatt-hour. By comparison, natural gas peaking plants deliver power at $122-162 a megawatt-hour. In Virginia in 2020, natural gas accounted for 61% of Virginia's utility-scale electricity net generation, nuclear supplied 29%, renewables, mostly biomass, provided 6%, and coal fueled less than 4%. There are many factors that contribute to the price of wholesale electricity, but the cost of fuel for fossil-fuel generators is an important driver. As noted by the EIA: "Wholesale prices are especially tied to natural gas prices because natural gas-fired units are often the most expensive (marginal) generators dispatched to supply power. The natural gas price at the Henry Hub averaged $8.14/MMBtu in May 2022, 180% higher year on year, according to the EIA, which expects the price of natural gas delivered to electric generators to average $8.81/MMBtu this most recent summer, a jump of 124% from summer 2021." Rising natural gas prices is one reason Dominion and Appalachian Power customers should expect a cost increase. In September 2022, the SCC approved the increase for Dominion, which went into effect provisionally on July 1. According to estimates, the average residential customer, defined as a household using 1,000 kWh of electricity per month, will see their monthly bill increase by $14.93. Dominion says this is due to the increase in its fuel factor. It is clear	

	that RGGI is not the driver of the rising electric prices we have seen in Virginia and elsewhere--rather, it is our current, fossil-fuel dependent system that is one of the major drivers. Cleaning up our grid by deploying generation that does not have volatile fuel prices, like wind and solar, is a critical part of the solution to clear our air, protect our climate, and benefit consumers. If the administration is concerned about customer costs, we recommend that it develop a comprehensive plan that achieves emission reductions to decarbonize the power sector and moves the state to cost-effective, clean energy. RGGI is the sole source of revenue for the statewide CFPF, which is the only state funding source for critical flood resilience planning and project implementation for localities, tribes, and soil and water conservation districts. RGGI has generated $203.5M for the CFPF since Virginia started receiving auction proceeds in 2021. Of this, nearly $46M has been awarded to more than 40 localities. The CFPF funds capacity-building initiatives that most federal grant programs do not, providing critical planning resources that allow localities to pursue larger project implementation requests. The CFPF can also be used as a local match for federal grant programs, making Virginia applicants more competitive for national programs. Without this reliable long-term funding source, localities will be unable to complete flood resilience planning they need to address flood risk. Twenty-five percent of CFPF monies are set aside for low-income geographies and the CFPF prioritizes implementation of nature-based solutions. Pulling Virginia out of RGGI would strip away funding that local governments need, harming under-resourced communities that do not	

	have the capacity to address flood risk on their own. Across the RGGI region, CO_2 emissions have dropped dramatically, thanks to fuel switching, improved energy efficiency, and growing renewable energy output. A report from The Acadia Center says emissions from the plants covered by RGGI are down 47% since 2009, when the program launched--outpacing the rest of the nation by 90%. Even while cutting emissions, the gross domestic product of RGGI states still grew by 47%, faster than the rest of the country, which grew by 31%. In Virginia, the data is clear that RGGI reduces emissions: RGGI cut Virginia power-plant carbon emissions by 13% in its first year. In 2020, carbon emissions in RGGI-covered units reached 32,755,842 short tons of CO_2 and declined to 28,623,530 short tons of CO_2 in 2021 even while demand increased. As carbon pollution from power plants decreases, Virginia is seeing co-benefits from the reduction of co-pollutant emissions like NOx and SO_2: in-state SO_2 emissions fell by 13% and in-state NOx emissions fell by 19% between 2020 and 2021. The Youngkin administration has even admitted the importance of RGGI in a recent report, concluding that RGGI "has a long track record of emission reductions since the beginning of the program." Participation in a carbon market with an overall cap on emissions, like RGGI, provides a high degree of certainty and durability that emissions reductions will be achieved year-over-year. As stated by DEQ, "an emission reduction program or combination of programs will be required to meet the Commonwealth's climate goals of the [VCEA] and the 2045 net-zero carbon emissions goal. In the absence of any such program,	

	emissions may not reduce sufficiently to achieve these goals." Since the beginning of the program through 2020, RGGI has avoided more than 49.5M short tons of carbon emissions in participating states. By remaining in RGGI, Virginia will be able to reduce overall emissions by an additional 30% from 2020-2030. Participating in RGGI means that Virginia can achieve its clean energy economy set forth in the VCEA, which requires that Virginia transition its utilities to renewable energy by 2050. Participation in RGGI gives Virginia the greatest certainty that the state will reach its emission reduction goals. A declining limit on GHG emissions, alongside other essential emission reduction regulations, provide the most reliable pathway for Virginia to meet its goal of net-zero emissions by 2045. Meeting this target is essential for Virginia to avoid the worst impacts of climate change, such as coastal flooding, displacement of up to 400,000 homes due to sea level rise, and billions of dollars to repair and replace homes and roads. Virginia currently has 10 cities and counties not meeting national health-based standards for ground-level ozone, impacting 2.3M Virginians. When carbon pollution is reduced, there are often significant reductions of other health-harming pollution, including ground-level ozone and soot. Power plants, transportation, industrial, and other sources contribute to emissions that impact air quality. According to EPA data, the power plants in Virginia covered by RGGI were responsible for 1,228 short tons of SO_X and 6,125 short tons of NOx pollution in 2021. As RGGI reduces carbon pollution across the region, communities will also benefit from declining levels of soot and smog. DEQ's analysis of the final RGGI	

	rule showed reductions of NOx, SO_2, and $PM_{2.5}$, amounting to tens of millions in monetized benefits over the life of the program. A study found that reduced levels of soot pollution due to RGGI from 2009-2014 benefited children's health, including avoiding cases of asthma, preterm births, cases of autism spectrum disorder and more harmful health impacts. The avoided costs of these health impacts on children are estimated at $191-350M. The Administration should consider the environmental justice impacts of its plan to roll back RGGI and the emission reductions that would be lost as a result. As previously noted by DEQ: "[n]ew laws passed by the General Assembly and signed by the Governor established that it is the policy of the Commonwealth to advance environmental justice. Further, DEQ's statement of policy (§10.1-1183, Code of Virginia) was amended to make environmental justice an explicit part of DEQ's mission." Virginians, like others across the country, are increasingly concerned about climate change and expect their leaders to act. A 2022 poll from Christopher Newport University showed that about 67% of Virginia voters want to stay in the RGGI program. Virginia joined RGGI after a lengthy round of public comment periods and public meetings where hundreds of concerned Virginians showed their support for reducing carbon emissions. Once the public comment period ended, the Virginia General Assembly held a vote that catalyzed RGGI into law. The State Senate voted 22-18 and the House of Delegates voted 51-47 to successfully pass the legislation. Recently, 61 state legislators, more than a third of the General Assembly, signed onto a letter addressed to the Board opposing	

	Gov. Glenn Youngkin's proposed withdrawal of Virginia from RGGI.	
39. New Virginia Majority	In our effort to secure environmental justice for people-of-color, immigrant communities, working-class families, women, and all Virginians alike, we focus our environmental policy efforts on state-level initiatives that shift Virginia toward an equitable 100% clean and renewable energy plan, a just transition, and targeted support for low-income individuals and people of color to obtain credentials, post-secondary education, or workforce training in environmental, renewable energy, or related fields. Therefore, we oppose this regressive proposed action to repeal Virginia's participation in RGGI even though this participation is mandated by state law. We support the continued implementation of RGGI as an important piece of state environmental and climate law. An effective state-level policy response to the climate crises requires rapidly eliminating GHGs from the electricity sector. Alongside recent federal climate mitigation investments in both the Infrastructure Investment and Jobs Act and the Inflation Reduction Act, RGGI enables Virginia to effectively decrease the state's dependence on fossil fuel generation and meet goals set in the state Clean Energy Policy. In addition to supporting mitigation of adverse climate change impacts statewide and regionally, RGGI supports reduction in public health and environmental justice outcomes associated with the pollution from fossil fuel generation facilities, particularly respiratory and cardiovascular diseases. Increasing investments in energy efficiency through RGGI is also fiscally responsible given that investment in energy efficiency is one of the most affordable policy strategies for decreasing GHGs from the electricity sector and	We appreciate the commenter's concerns, and agree that effective state level policy is needed to address carbon pollution in a fiscally responsible and equitable manner. . Indeed, it is people-of-color, immigrant communities, working-class families, women, and all Virginians alike who are disproportionately affected by unnecessary increases in electricity costs. The lack of transparency in the RGGI process, and the limitations on protecting public health and welfare from the effects of climate change forced on Virginia by that process impedes Virginia's ability to best serve all of its citizens.

	generating energy savings for residential customers. Beyond crucial executive orders and budgetary requirements passed to date, the U.S. still lacks codified federal law that outlines explicit clean energy standards or stands up nationally binding clean electricity targets. Virginia's participation in RGGI provides a climate policy that can help zero-out the state's electricity GHGs from public utility service providers fossil fuel powered plants. Household energy bills continue to rise, especially as a result of the increasing costs of non-renewable energy sources, specifically natural gas. This rise is predicted to increase beyond 2022. RGGI supports the growth of increasingly affordable renewable energy resources, which can help decrease the costs of household electricity, most burdensome to households with incomes at or below 50-100% of the Federal Poverty Level. Additionally, advancing legislative utility regulatory reforms that have been introduced to-date as opposed to repealing RGGI is the most effective approach to reducing energy costs concerns outlined in the NOIRA as the premise for repeal. These reforms include retiring cost recovery mechanisms that are uneconomical for customers, removing unnecessary restrictions on the issuance of customer refunds, and restoring the SCC's authority to adjust electricity rates when utilities earn above their authorized profits.	
40. Virginia Manufacturers Association (VMA)	Regulations should maintain an appropriate balance between environmental protection and economic development, be based on exemplary science, consider cost-benefit analysis and comparative risk assessments in the regulatory process, and allow for flexible and performance-based approaches. Energy policies should ensure sustainable economic	Support for the proposal is appreciated. As discussed elsewhere, participation in RGGI is not the most effective means of controlling carbon pollution, nor is it the most consumer-friendly approach.

	growth in manufacturing, with an emphasis on reliable supply at affordable prices. Tax policies should lower the overall effective tax rate on manufacturers. RGGI does not meet any of these public policy tests. VMA ardently supports this rulemaking to repeal RGGI. RGGI levies a direct, unnecessary tax on all Virginians. RGGI membership comes at a high cost and an uncertain benefit. Utilities must purchase an allowance for each ton of carbon emitted. The SCC has approved the pass-through of the allowance costs directly to residential and commercial ratepayers. Customers have no opt-out opportunity. As a result, all Virginians that use electricity must bear the cost of the RGGI program, which is substantial. EO-9 estimates that ratepayers must pay between $1-1.2B over the next four years. Our membership shoulders a substantial proportion of RGGI costs due to the commercial rate structure and electricity requirements to run a manufacturing facility. These facilities are the backbone of Virginia's economy, providing the jobs that fuel the state's economy. Virginia is highly ranked as a competitive southern state for manufacturing. RGGI participation jeopardizes this position. Increased energy costs inflate Virginia manufacturers' cost of operation, a burden not shared by most of the states with which Virginia manufacturers compete. When compared to non-RGGI states, Virginia's competitive advantage is threatened. Cost and regulatory burden is a constant consideration, as we compete for new businesses and existing manufacturers decide whether to stay. RGGI is an unnecessary, duplicative regulatory program in Virginia. Virginia is strongly committed to expanding the role of	

	renewable energy in power generation. Virginia's electric utilities are moving rapidly to expand generation from renewable resources. Virginia is already among the nation's leading states in this effort. Manufacturers have and are expected to continue to explore innovative ways to reduce carbon footprints. In fact, the VCEA establishes the state's climate goals. The VCEA is a comprehensive law to directly address the state's energy policies and to legislate change. The VCEA sets a 2045 net zero carbon emissions goal for the state's economy. To achieve this goal, the VCEA requires fossil fuel electric generating unit shutdowns and adds incentives for renewable generation. The VCEA also establishes an energy efficiency standard to achieve energy efficiency savings annually. The Act requires utility participation in a RPS program with annual goals for sale of renewable energy. DOE projects that Virginia is on schedule to meet the 2045 net-zero goal. RGGI is an ineffective solution to climate goals. In comparison to the VCEA, RGGI does not mandate or even incentivize utilities to make generation changes. RGGI does not cap utility emissions with a state budget. It does have a RGGI cumulative regional cap for all RGGI allowances, which is the only true cap in the program. As a result, the Virginia RGGI budget does not operate as a not-to-exceed cap to curtail emissions. This costly pass-through revenue program is unnecessary to promote the continued growth of renewable energy generation in the state. Virginia does not need RGGI to invest in strategic energy policies, infrastructure, and resilience programs. Virginia has and continues to effectively develop and implement direct, cost-effective programs to address the reported effects of climate change in	

	Virginia. RGGI, Inc. promotes the reinvestment of auction revenue in state programs addressing resiliency, energy efficiency, low-income communities, and other beneficial interests. However, the dollars that Virginia's citizens and businesses spend on RGGI would be much better spent directly on resiliency programs and initiatives with a tangible impact on communities. VMA supports legislative efforts to address these needs outside of the RGGI construct. A direct funding program is greatly preferable to RGGI. The CFPA directs most of the RGGI auction proceeds to assist with flooding from severe weather events and energy efficiency programs. However, using the RGGI platform comes at a cost. Fees are higher with no benefit to Virginians. RGGI, Inc., charges a fee to administer the program, and DEQ collects an additional charge to cover the program expenses and administrative costs. Virginia's utilities also must employ environmental professionals to undertake detailed, comprehensive compliance efforts required for RGGI participation. Aside from costs, Virginia loses control over its own money. RGGI states conduct a RGGI program review every 3-4 years, which results in revisions to the RGGI model rule that sets the program rules. That review can substantially impact the allowance costs of the program, not to mention the fundamental rules of participation. Virginia has only one vote among the RGGI states in this review process. In addition, on an implementation level, outside influences affect the costs of RGGI to Virginians. RGGI allowance costs are often driven higher by private market brokers and entities that purchase allowances to sell, often at a profit, or retire them. For example, in 2021, Virginia received $227M in	

	revenue from RGGI. However, only a little over $129M of that total was attributed to compliance entities, such as Dominion or other utilities, that purchased the allowances for compliance. The 2021 RGGI compliance year illustrates the influence of third-party entities on the RGGI program and how third-party stakeholders increase the amount of the direct tax that Virginians pay for RGGI. In summary, exiting RGGI will restore the state's independence. Virginia will be able to deliberately target resiliency and energy policy goals and address them without administrative fees, outside influences and with certainty. Virginia's carbon emissions are already rapidly dropping, without regard to RGGI. There are many reasons for this trend. First, conversion and retirement of coal-fired generation to natural gas and renewable generation has directly impacted Virginia's carbon footprint. DEQ documented the energy transition that took hold in 2011-2012 with a series of coal-fired plant retirements and fuel conversions. These power sector changes contributed to declining carbon emissions at a CO_2 emissions rate of 43% lower per unit of electricity between 2010-2020. This decline is faster than the nation as a whole and comparable to the RGGI states. These statistics illustrate that carbon emissions can be addressed without a costly regional carbon trading program. Citizens and businesses are becoming more energy efficient. Virginia is already among the nation's leaders in reducing CO_2 emissions. This trend began prior to RGGI membership. These data suggest that RGGI is not needed to achieve Virginia's climate goals. Carbon emissions are not a regional problem, they are a global problem. VMA has consistently articulated that regulating GHG	

	emissions on a regional basis does not make sense. CO_2 does not stop at the borders of RGGI states but coalesces in the atmosphere across states and internationally. Unlike CO_2 emissions, RGGI requirements are confined to state borders. Concepts such as leakage cut against a regional model. For example, a Regional Transmission Organization, such as PJM, may dispatch less expensive electric generating units with higher CO_2 emissions from a power generating plant located in a non-RGGI state in place of an electric generating unit with lower CO_2 emissions on the other side of the state border in a RGGI state. The result is that RGGI states may become net importers of electricity from lower cost non-RGGI assets. Recent data supports this result. Using EPA 2019 emissions data, three out of the five top states importing electricity from out of state were RGGI states (Maryland, Delaware, and Massachusetts). Delaware had the lowest statewide annual CO_2 emissions of any state in 2019, which was likely influenced by importing electricity into the state to satisfy customer demand. A regional approach is not the solution to a global problem, which is best left to a consistent federal approach. RGGI does not incentivize Virginia utilities to shift generation away from carbon-emitting assets, unlike other carbon reduction initiatives. In Virginia, customers bear increased costs associated with RGGI, rather than utilities. For example, the SCC approved that RGGI compliance costs would be passed through to customers in a RGGI Rider. The RGGI Rider appeared on residential and commercial bills as a direct cost. With customers paying the RGGI Rider, the RGGI program does not incentivize Virginia utilities to shift their generation mix away from fossil fuels. RGGI is better suited to other	

	RGGI states with more deregulated markets than in Virginia. In short, Virginia's energy market structure is not a conducive compliment to the RGGI regulatory approach.	

Public Participation

Indicate how the public should contact the agency to submit comments on this regulation, and whether a public hearing will be held, by completing the text below.

The board is providing an opportunity for comments on this regulatory proposal, including but not limited to (i) the costs and benefits of the regulatory proposal, (ii) any alternative approaches, (iii) the potential impacts of the regulation, and (iv) the agency's regulatory flexibility analysis stated in that section of this background document.

Anyone wishing to submit written comments for the public comment file may do so through the Public Comment Forums feature of the Virginia Regulatory Town Hall web site at: https://townhall.virginia.gov. Comments may also be submitted by mail, email or fax to Karen G. Sabasteanski, Department of Environmental Quality, P.O. Box 1105, Richmond VA 23218, phone 804-659-1973, fax 804-659-4178, email karen.sabasteanski@deq.virginia.gov. In order to be considered, comments must be received by 11:59 pm on the last day of the public comment period.

A public hearing will be held following the publication of this stage, and notice of the hearing will be posted on the Virginia Regulatory Town Hall website (https://townhall.virginia.gov) and on the Commonwealth Calendar website (https://commonwealthcalendar.virginia.gov/). Both oral and written comments may be submitted at that time.

Detail of Changes

List all regulatory changes and the consequences of the changes. Explain the new requirements and what they mean rather than merely quoting the text of the regulation. For example, describe the intent of the language and the expected impact. Describe the difference between existing requirement(s) and/or agency practice(s) and what is being proposed in this regulatory change. Use all tables that apply, but delete inapplicable tables.

If an existing VAC Chapter(s) is being amended or repealed, use Table 1 to describe the changes between the existing VAC Chapter(s) and the proposed regulation. If the existing VAC Chapter(s) or sections are being repealed and replaced, ensure Table 1 clearly shows both the current number and the new number for each repealed section and the replacement section.

Table 1: Changes to Existing VAC Chapter(s)

Current chapter-section number	New chapter-section number, if applicable	Current requirements in VAC	Change, intent, rationale, and likely impact of new requirements
9VAC5-140-6010	N/A	Purpose of the regulation is described.	Repealed in accordance with the directives of EO-9.

9VAC5-140-6020	N/A	Terms defined.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6030	N/A	Measurements, abbreviations, and acronyms used in the regulation are described.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6040	N/A	Entities to which the regulation applies are described.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6050	N/A	Standard requirements for permitting, monitoring, recordkeeping, liability, etc., are explained.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6060	N/A	Computation of time is described.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6070	N/A	Severability is established.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6080	N/A	Authorization and responsibilities of the CO_2 authorized account representative are explained.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6090	N/A	The role of the CO_2 authorized alternate account representative is described.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6100	N/A	Changing the CO_2 authorized account representatives and the CO_2 authorized alternate account representative; changes in the owners and operators are delineated.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6110	N/A	The elements of an account certificate of representation are provided.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6120	N/A	Objections concerning the CO_2 authorized account representative are addressed.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6130	N/A	Delegation by CO_2 authorized account representatives and CO_2 authorized alternate account representatives is explained.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6140	N/A	CO_2 budget permit requirements are provided.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6150	N/A	Submission of CO_2 budget permit applications.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6160	N/A	Information requirements for CO_2 budget permit applications are established.	Repealed in accordance with the directives of EO-9.

9VAC5-140-6170	N/A	Compliance certification reports are explained.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6180	N/A	Actions on compliance certifications are described.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6190	N/A	The Virginia CO_2 Budget Trading Program base budgets are listed.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6200	N/A	How to handle undistributed and unsold CO_2 allowances is found in this section.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6210	N/A	Allowance allocations are provided.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6220	N/A	CO_2 allowance tracking system accounts are established.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6230	N/A	Establishment of accounts is described.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6240	N/A	The CO_2 allowance tracking system responsibilities of CO_2 authorized account representatives are described.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6250	N/A	How the recordation of allowance allocations is to be accomplished.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6260	N/A	Compliance requirements are established.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6270	N/A	Banking requirements are described.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6280	N/A	Management of account errors is explained.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6290	N/A	How to close general accounts.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6300	N/A	How to submit CO_2 allowance transfers.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6310	N/A	The recordation of allowance transfers is explained.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6320	N/A	Notification of allowance transfers is explained.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6325	N/A	Life-of-the-unit contractual arrangements are described.	Repealed in accordance with the directives of EO-9.

9VAC5-140-6330	N/A	General requirements for monitoring, reporting, and recordkeeping.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6340	N/A	The initial certification and recertification procedures for a monitoring system are delineated.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6350	N/A	Out-of-control periods are addressed.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6360	N/A	Notifications are described.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6370	N/A	Recordkeeping and reporting requirements are explained.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6380	N/A	Petitions for approval to apply an alternative to any acid rain requirement are provided.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6390	N/A	Reserved.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6400	N/A	Reserved.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6410	N/A	The purpose of the requirements for allowance auctions is provided.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6420	N/A	General requirements for the auction notice.	Repealed in accordance with the directives of EO-9.
9VAC5-140-6430	N/A	[repealed section]	[already repealed]
9VAC5-140-6440	N/A	Program monitoring and review requirements.	Repealed in accordance with the directives of EO-9.
	*9VAC5-140-6445	Transition to repeal.	Affected facilities must place the allowances needed to meet their remaining compliance obligation into their compliance account in COATS as soon as practicable but no later than March 1, 2024, in order that they can be deducted from the account to meet the full control period obligation. This section will be repealed once all affected sources have met their full compliance obligation. Needed in order that the transition away from the program is conducted in such a way as to minimize disruption and enable affected facilities to meet their compliance obligations without introducing uncertainty to the market.