

# C3's State-level Climate Policy Priorities

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State-level policies and legislations are indispensable for enabling and strengthening municipal climate action. This document compiles a set of state-level climate policies that can complement recent progress made by the Virginia's General Assembly and further advance the Commonwealth's state and municipal climate leadership.



### Overview

C3's policy work is mostly focused on the development of community-level climate policies. Still, C3 recognizes how state-level policies and legislations are indispensable for enabling and strengthening municipal climate action. This is of increased relevance in states like Virginia, where the "Dillon's rule" judicial doctrine requires a "*narrow interpretation of a local government's authority*".

This document compiles a set of state-level climate policies that can complement recent progress made by the Virginia's General Assembly and further advance the Commonwealth's state and municipal climate leadership. C3 urges that these are prioritized and implemented by the Government of Virginia with no adjournment.

### Recent Progress

#### Achievements of the 2020 General Assembly

The <u>2020 Virginia General Assembly made history by passing numerous and</u> <u>ambitious bills</u> that have the potential to spur clean energy initiatives, advance energy efficiency programs, and promote clean transportation. These bills will not only help the Commonwealth achieve its climate goals, but they will also allocate extra resources to equitably alleviate the energy burden of Virginia's residents.

#### Municipalities in the Lead - Wholesale Energy Market

Rules made in wholesale electricity markets can impact local government clean energy goals and present obstacles for clean energy procurement. Participation in marketlevel decisions and stakeholder processes traditionally has been dominated by utilities and generators, but that is starting to change.

Alongside major cities within the region of the PJM Interconnection LLC (a.k.a. PJM, a regional transmission organization that operates the wholesale electricity market for the majority of the Mid-Atlantic region), Virginian municipalities of Alexandria, Charlottesville, and Richmond joined the informal "PJM Cities Coalition" and signed a <u>public letter</u> to request that PJM Board of Managers ensures that the PJM's market moves toward a clean energy future.

### Municipalities in the Lead - General Assembly Climate Advocacy

In 2020, Virginian municipalities of Albemarle, Blacksburg, and Charlottesville, voted to sign onto the <u>We Are Still In (WASI) letter</u>. The letter, which was generally supportive of climate policies, also specifically called out the need for the General Assembly to enable Virginia's entry into the Regional Greenhouse Gas Initiative (RGGI), set Clean Energy Standards, remove barriers to distributed renewable energy, and implement policies and programs that reduce transportation emissions.



## Enabling Municipal Leadership

### Providing Funds for Municipal and Community-wide Climate Action Plans and GHG Inventories

An increasing number of municipalities in Virginia want to lead on climate and, subsequently, further contribute to the Commonwealth's overall climate goals. However, our local experience has shown that in doing so municipalities have to engage in lengthy and sometimes expensive processes of creating their climate action plans (CAPs) and greenhouse gas (GHG) inventories. These processes, which must be repeated every few years, should be adequately supported to avoid unnecessary delays and effectively enable efficient and equitable local climate action.

<u>Ask</u>: Virginia's General Assembly should approve funding incentives and technological support for municipalities wanting to develop CAPs or GHG inventories.

### Legally Empowering Municipal Governments – Building Energy

Virginia's "Dillon Rule" prevents local governments from requiring <u>energy benchmarks</u> among certain targeted businesses or real estate properties. An energy benchmark determines, by means of peer comparison, whether a building uses more or less energy than buildings with similar occupancies, sizes, etc. Energy benchmarking is a budget-neutral method that helps promote more cost-effective and energy efficient practices in a certain community.

<u>Ask</u>: Virginia's General Assembly should grant localities the authority to enact mandatory benchmarking programs for selected categories of commercial buildings.

### Legally Empowering Municipal Governments – Street Lighting

Street lighting often accounts for <u>25% or 50% of a municipal energy bill</u> and has the potential to be <u>reduced by 60% to 70%</u> if light bulbs are converted to more energy efficient technologies. However, most street lighting in Virginia is not controlled by municipal governments, limiting their ability to require <u>economically attractive</u> energy efficient upgrades.

<u>Ask</u>: Virginia's General Assembly should grant localities the authority to determine the implementation of economically attractive energy efficient upgrades for their street lighting, regardless of municipality ownership of the system.

#### Securing Public Access to Energy Data

Without a clear standard for fulfilling energy data requests, access to energy data falls under the discretion of utility companies, which often keep data confidential to protect consumer privacy. C3's report <u>Recommendations for Data Access In Virginia</u> demonstrated



that setting a standardized threshold for data aggregation can allow for broader access to energy data without compromising the privacy of individual energy customers. With published data on aggregated energy consumption, municipal governments, nonprofits, and other stakeholders can create more effective programs and prioritize actions that better serve underserved households.

<u>Ask</u>: Virginia's General Assembly should establish a clear rule for energy data access such as the <u>15/15 rule</u> for data aggregation, which allows for both privacy protection (anonymization) and the delivery of useful information for third parties. Additionally, Virginia's General Assembly should require investor-owned utilities to implement a system like <u>"Connect My Data"</u>, which would make energy assessments easier and less costly for consumers willing to better understand their energy consumption.

#### Securing Transportation Data Access

<u>Transportation accounts for 25–38% of energy use and GHGs in most cities in</u> <u>industrialized countries</u>. Improving access to transportation data can help municipalities achieve many of their climate, mobility and livability goals and targets. Transportation data can also be used to assist in planning transit expansion and in developing appropriate infrastructure.

Currently, there is no publicly available information systematically published about the Commonwealth's performance on approximate fuel economy per vehicle category, number of vehicles sold per vehicle category (nor per vehicle technology), or volume of vehicle-fuel sold. Most of this information, which would be of increased value if provided per locality or planning region, is already collected by private organizations within Virginia and could be compiled and annually published in a standardized (and anonymized) manner by Virginia's Government.

<u>Ask</u>: Virginia's State Government should systematically compile additional transportation data and make it publicly available on a periodic basis.

## Requiring Comprehensive Plans to Assess the Climate Impacts of Transportation Infrastructure

Transportation is the leading source of carbon pollution in Virginia and many Virginia localities (as well as the nation as a whole). Yet many localities currently give little to no consideration to how the transportation projects they include in their comprehensive plans - both individually and as a whole system- will impact GHG emissions.

<u>Ask</u>: Virginia's General Assembly should require that the transportation plan component of local comprehensive plans evaluate any proposed road or transportation improvement with regard to its net GHG impacts, including the destruction of carbon sinks



(such as urban or rural tree canopy), and seek to minimize or prevent such impacts to the greatest extent possible.

## Allocating Resources for Bicycling, Walking, and Other Active Transportation Modes

Active transportation infrastructure and incentives make communities healthier by reducing pollution in the air and creating opportunities for people to exercise. Active transportation facilities are particularly important in low-income and minority communities as people in those communities are less likely to own vehicles, and streets designed only with the safety of drivers in mind can deter people from walking or biking. They also help reinforce other important local efforts to cut down on transportation emissions by promoting walkable and transit-oriented community design.

<u>Ask</u>: Virginia's State Government should allocate more resources for municipal active transportation capital improvements, similar to the <u>Tiered Approach</u> used for public transit.

### Enabling or Expanding Community Choice Aggregation

<u>Community Choice Aggregation (CCA)</u> allows local governments to have full control over their electricity supply, providing the ability to procure renewable energy for their municipal operations, residents, and in some cases, small businesses. A recent study prepared by the <u>Environmental and Regulatory Law Clinic at the University of Virginia School</u> <u>of Law</u> suggests that there are no legal impediments to CCA in Virginia. Still, the study acknowledges that such a conclusion relies on assumptions over how certain legislations would be interpreted.

<u>Ask</u>: Virginia's General Assembly should formally authorize localities to establish Community Choice Aggregation programs by aggregating the requirements of residential, commercial, and industrial customers within its boundaries on an opt-in or opt-out basis and permits the customers to purchase electricity from the aggregating locality (as proposed by <u>HB 1590</u>).

### Granting Localities the Authority to Consider Net Climate Impacts When Creating and Applying Zoning Ordinances and Districts

Localities in Virginia do not have the ability to base land use zoning decisions on the net climate impacts, such as net GHG emissions, of proposed development projects. As a consequence, this may not be a basis for a locality's decision making on zoning proposals.

<u>Ask</u>: Virginia's General Assembly should expand localities' zoning authority to allow consideration of how new development will affect GHG emissions.



### Enabling a More Equitable and Efficient Clean Energy Transition

### Allocating resources for the Clean Energy Advisory Board

The Clean Energy Advisory Board was established by <u>HB 2741</u> as an advisory board with the goal of establishing a pilot program for disbursing loans or rebates for the installation of solar energy infrastructure in low-income and moderate-income households through the "Low-to-Moderate Income Solar Loan and Rebate Fund". However, the Fund currently has no resources allocated for it.

<u>Ask</u>: Virginia's General Assembly should allocate resources for the "Low-to-Moderate Income Solar Loan and Rebate Fund" to increase energy equity by universalizing access to solar energy.

## Creating an Equitable and Participatory Process for the Future Use of RGGI Revenue

The "Clean Energy & Community Flood Preparedness Act" (<u>HB981/SB1027</u>), directs the Department of Environmental Quality (DEQ) to implement carbon trading regulations that will enable Virginia to fully participate in the Regional Greenhouse Gas Initiative (RGGI). The measure also requires that a relevant portion of the program's revenue go toward low-income energy efficiency programs.

<u>Ask</u>: Virginia's General Assembly should expedite the creation of a demographically and geographically equitable stakeholder group for effective community participation in the shaping of how such energy efficiency programs will be implemented.



### Enabling a More Equitable and Efficient Clean Transportation Transition

### Advancing Rail and Transit

Public transit and passenger rail systems are key to reducing vehicles-mile traveled (VMT) and thereby improving air quality and reducing climate emissions from transportation.

<u>Ask</u>: Virginia's Government should provide more funds to strategic <u>expansions of the</u> <u>Commonwealth's passenger rail system</u>. Virginia's Department of Rail and Public Transportation (DRPT) should allocate more funds for the operating costs of public transit agencies.

### Joining the Group of Clean Air Act "Section 177 States"

Although most States are not permitted to develop their own emissions standards for new motor vehicles, the <u>Federal Clean Air Act (Section 177)</u> gives states a leeway to establish standards that are more stringent than those otherwise required.

<u>Ask</u>: Virginia's General Assembly should adopt "Clean Car" standards under Section 177 of the Federal Clean Air Act.

### **Advancing Transportation Electrification**

Electric vehicles (EVs) can <u>reduce the emissions that contribute to climate change and</u> <u>smog. improving public health and reducing ecological damage</u>. Equitable incentives can make EVs and EV infrastructure (for cars and micromobility) more accessible in Virginia.

<u>Ask</u>: Virginia's General Assembly should create incentives for widening and accelerating the adoption of EVs, including incentives for electric micromobility and charging stations.