

Senate Finance Economic
Development/Natural
Resources Subcommittee

Presentation of Stephen Walz
January 28, 2008



- **Renew Virginia – 2009**
 - **Commitment to addressing Energy and Environmental Issues**
 - Legislation and budget initiatives
 - Executive action
 - Agency actions



- Green jobs – Clean Energy Manufacturing Incentive Grant Program
 - HB 2235 (Valentine), SB 1215 (Deeds)
 - Fiscal impact: \$2 million budget amendment in Item 121.B
 - Support new/expanding companies supplying clean energy
 - Modify Solar PV Manufacturing Grant to other clean energy sources
 - Performance based grants as per agreements with companies
 - 200 jobs, \$50 million investment – lower in high unemployment localities
 - Cap of \$36 million outstanding grants



- Green jobs – Renewable energy tax incentives
 - Expand marketplace for renewable energy
 - SB 1141 (Lucas)
 - Renewable energy income tax credit
 - Up to \$8,000 individual, \$20,000 corporate
 - Revenue impact: \$2 million (\$1 million each individuals and corporations)
 - SB 1216 (Deeds)
 - Renewable energy sales tax exemption
 - Revenue impact: \$225,263 GF, \$32,180 TTF, \$64,361 local revenue impact
 - Generate \$6.5 million business activity



- Electric utility energy efficiency resource standard
 - SB 1248 (Northam)
 - No revenue or budget impact
 - 19% reduction in electricity use by 2025
 - From efficiency and combined-heat and power
 - Goal may be adjusted for new economic growth, addition of plug-in electric vehicles, or regulatory/technical barriers outside of utility control
 - Alternate compliance payment for failure to reach goal
 - 3 cents per kWh
 - Fund energy efficiency programs



- Electricity Regulation – Tools to meet efficiency requirement & expand renewable energy
 - SB 1339 (Herring)
 - No revenue or budget impact
 - Equalize rate of return for efficiency to rate available from investments in generation
 - Recover prudent costs from AMI (smart meters)
 - SCC to account for integrated resource plan when evaluating utility facility applications
 - Pay excess net metering at green power rate
 - Increase RPS to 15% by 2025



- Green Public Buildings Act
 - SB 1252 (Peterson)
 - Possible capital cost increase, long-term operational savings
 - Expand Executive Order 48 requirements
 - State, local (including school) buildings
 - Lead to energy & water savings, environmental benefits



- **Biofuels**

- SB 1146 (Whipple)

- No revenue or budget impact
 - On-road diesel sales to contain minimum 2% biodiesel
 - Phase in period – effective January 1, 2011

- SB 1186 (Hanger)

- No revenue or budget impact
 - Biofuels Production Incentive Grant amendments
 - Give higher amount to cellulosic biofuels – lower to conventional
 - Greater incentive to energy, water quality, advanced technology
 - Chesapeake Bay Commission – Biofuels and the Bay recommendation



- Climate change – Greenhouse gas emission reporting
 - SB 1145 (Whipple)
 - No revenue or budget impact
 - Entities currently reporting emissions to also report GHG emissions
 - VDOT to supply mobile source GHG emission data to DEQ
 - Encourage voluntary actions to reduce GHG emissions
 - Emissions calculated using information already being gathered – primarily type and amount of fuel burned
 - Document reductions for early-action credit under federal cap and trade



Other Legislation

- Energy R&D
 - SB 1338 (Herring)
 - Angel investor tax credit – biotechnology & energy
 - HB 2404 (Bell)
 - University Clean Energy Research & Development Foundation
 - HB 2201 (Vanderhye)
 - Innovation and Entrepreneurship Investment Authority
 - Tobacco Commission
 - Energy Research & Development Centers and Next Step Support
 - Budget actions
 - CTRF priorities including energy



Other Legislation

- Utilities
 - Utility efficiency requirements, real-time rates, stand-by service, net energy metering, wind project approvals at DEQ/SCC, recovery of increasing utility costs, biomass definition and use, electric demand response study, electric cooperative rates, natural gas and propane service areas
- Green jobs
 - Renewable projects and jobs tax credits, VCERC duties, use of state lands for renewables, South Atlantic Offshore Wind Compact



Other Legislation

- **Green buildings**
 - Local government assistance, green roof incentives, required school energy plans & investments, funding through VRA & VPBA, Housing Commission study, limits on property owner association rules, state agency efficiency
- **Biofuels**
 - On-farm small-scale biofuel production, farm waste-to-energy, fuel-tax exemption for on-farm biofuel production & use, state biofuels policy, expand clean-fuel vehicle tax credit to include biofuel jobs



Other Legislation

- **Transportation & Land Use**
 - Telework assistance and tax credits, HOV lane clean special vehicle extension, HOT lane limits, gasoline tax indexing, transit studies, truck APU weight limit increase
- **Other**
 - Plastic bag fee or bans, incandescent light bulb ban, CFL recycling study, appliance efficiency standard, state employee four-day work week, offshore drilling royalty apportion, Gas and Oil Act amendments, gravel truck weight limits, coal/oil/gas severance tax allocations, fossil fuel combustion byproduct regulation



2007 Grant Programs

- Title 67, Chapter 9: Renewable Electricity Production Grant Program
- Title 67, Chapter 10: PV, Solar, and Wind Energy Utilization Grant Program
 - Sunset with no appropriation
 - Renewable electric production grant program –large cost for existing renewable production before acting as an incentive to growth
 - PV, solar, wind grant program – Industry guidance that income tax credit and sales tax exemption more effective

