

Virginia Climate Change Initiatives

Carbon Trading Rule – Starting with the previous McAuliffe administration and continued by the current Administration of Governor Northam, the Commonwealth has developed a proposed power sector carbon trading rule which would allow Virginia to link to other existing regional trading programs such as the Regional Greenhouse Gas Initiative (RGGI). The Virginia DEQ has just gained approval from the State Air Pollution Control Board (SAPCB) to release a re-proposed version of the rule that establishes a lower initial year emissions budget in 2020 of 28 million tons.

Clean Power Legislation – As part of the comprehensive Grid Transformation and Security Act (GTSA) legislation from the 2018 General Assembly session that Governor Northam supported and signed, a significant commitment and investment in clean renewable energy generation and energy efficiency has established to be implemented over the next ten years. First there is a commitment to up to 5,000 megawatts of renewable energy to be implemented by the state's publically regulated utilities. In addition, these utilities will invest about \$1 billion dollars in energy efficiency projects. These commitments have now been included in the updated Virginia 2018 Energy Plan.

Electric Vehicle Charging Infrastructure – Virginia has been certified as formal beneficiary under the Volkswagen mitigation settlement under which the Commonwealth will receive \$93 million dollars to distribute to various mitigation projects. As part of the overall mitigation plan, Virginia has completed a request for proposal (RFP) for installing a statewide electric vehicle charging infrastructure for \$14 million dollars and awarded a contract to EVgo Services, LLC to develop the charging network.

Electric Transit buses – Also under the Volkswagen mitigation settlement trust, Governor Northam recently announced that the Commonwealth will invest another \$14 million dollars to fund the deployment of all-electric transit buses in Virginia. This program will provide funding through a new Clean Transportation Voucher Program to replace heavy and medium-duty polluting vehicles with cleaner vehicles.

Other Climate Initiatives – Governor Northam has also recently announced to other climate initiatives to broaden the scope of the Commonwealth's efforts to address climate change. First, Virginia has officially joined the Transportation and Climate Initiative (TCI) to work collaboratively with Northeast and Mid-Atlantic states on reducing carbon pollution from the transportation sector. The Governor has also directed the DEQ to establish a workgroup to develop a plan to regulate and reduce methane emissions from natural gas infrastructure and landfills.



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Governor Northam Announces Selection of EVgo to Develop Statewide Public Electric Vehicle Charging Network

The contract with EVgo Services, LLC will use approximately \$14 million in funds from Virginia's share of the Volkswagen mitigation settlement

RICHMOND—Governor Ralph Northam today announced that the Virginia Department of Environmental Quality (DEQ) has issued a Notice of Intent to Award a contract to EVgo Services, LLC, to develop a statewide public electric vehicle (EV) charging network. This contract is awarded from funding that the Commonwealth was allocated through the Volkswagen mitigation settlement, and it will serve as a forward looking program that will help to meet driver needs as electric vehicle adoption rates continue to increase.

Maximizing the state's investment, EVgo will develop a statewide charging network that prioritizes DC fast chargers to adapt to the rapidly evolving technology of the electric vehicle market. The network will prioritize some of the most heavily traveled corridors in the Commonwealth and will complement existing charging stations and other large-scale deployments of charging infrastructure underway.

"Virginia is taking a leading role to develop and deliver a statewide electric vehicle charging network that is driver-focused, user-friendly, and promotes electric vehicle usage," said **Governor Ralph Northam**. "Through this partnership with EVgo, Virginia will accelerate electric vehicle adoption, generate more private investment in electric vehicle technology, and help provide citizens in the Commonwealth with cleaner air."

DEQ issued a request for proposals last September to establish a statewide EV charging network as part of the Volkswagen emissions testing settlement. DEQ is the designated lead agency acting on the state's behalf as beneficiary to implement Virginia's allocation of \$93.6 million from the settlement. The settlement allows states to use a maximum of 15 percent of their total allocation for electric vehicle charging infrastructure, which represents approximately \$14 million.

"Especially given the Trump Administration's proposal to roll back vehicle fuel economy standards, we cannot build out our electric vehicle support system soon enough," said **Secretary of Natural Resources Matt Strickler**. "Accelerating the adoption of electric vehicles is a critical step to Virginia's efforts to fight climate change by doing our part to curb pollution."

Based out of Los Angeles, EVgo is the nation's largest owner and operator of public EV DC fast-charging stations with more than 1,000 stations in 34 states across the United States, including stations in Virginia. DC fast charging can deliver a range of 60 to 80 miles for every 20 minutes of charging.

"EVgo is thrilled to win a competitive bid to dramatically expand the electric vehicle charging network in the Commonwealth of Virginia," said **EVgo CEO Cathy Zoi**. "Thanks to Governor Northam's leadership, Virginia is already a clean energy leader, and EVgo is excited to invest our private capital alongside the nation's first deployment of Appendix D Volkswagen settlement funding."

EVgo is using two Virginia-based contractors to help develop the electric vehicle charging network. The network will be developed over three (3) one (1)-year investment cycles. EVgo will also open a service center in Richmond that will allow for rapid deployment and maintenance support of Virginia's statewide charging network and encourage local job growth.

Virginia is also filing today the Beneficiary Mitigation Plan with the Volkswagen trustee, which contains all eligible mitigation actions or project categories that the Commonwealth of Virginia plans to fund with the \$93.6 million, including the \$14 million electric vehicle charging network.

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Northam Administration Takes New Steps to Fight Climate Change, Ocean Acidification

RICHMOND—Governor Ralph Northam this week announced a series of actions to help Virginia better address the impacts of carbon pollution from fossil fuels. Governor Northam has directed the Virginia Department of Environmental Quality to identify ways to improve environmental protection in the Commonwealth.

As the leaders of U.S. states and other countries gathered at the Global Climate Action Summit in San Francisco this week to work on climate solutions, Virginia committed to:

- *Join the Transportation and Climate Initiative (TCI) to work collaboratively with Northeast and Mid-Atlantic states on reducing carbon pollution from the transportation sector.*

More than one third of all carbon pollution comes from transportation. In Virginia, transportation is the largest contributor of greenhouse gasses, in addition to being a large source of nitrogen oxides and ozone pollution, which directly impact public health.

Virginia is already working with this group of states as we prepare to join the Regional Greenhouse Gas Initiative (RGGI), and this effort will extend our collaboration from electric generation to transportation. TCI is a forum for exchanging ideas, sharing best management practices, and collaborating on initiatives to reduce transportation's carbon footprint.

- *Join the International Alliance to Combat Ocean Acidification and develop and Ocean Acidification Action Plan.*

The oceans are our largest carbon sink, storing approximately 93 percent of all carbon dioxide on the planet. As human carbon emissions have increased, the oceans have taken up more carbon dioxide, which makes seawater more acidic. This has negative implications for shell building marine life like corals, oysters, clams, and some plankton that form the base of ocean food chains.

Joining the OA Alliance signals that Virginia is serious about tackling a problem that presents an enormous threat to the Commonwealth's shellfish aquaculture industry, commercial and recreational fisheries, and the recovery of the Chesapeake Bay. Through the OA Alliance, Virginia will develop an Ocean Acidification Action Plan and work with other governments to raise the visibility and importance of the ocean acidification issue in public discourse and policy development.

- *Develop a framework for limiting methane leakage from natural gas infrastructure and landfills.*

Natural gas has significant potential as a bridge fuel to help us reduce carbon pollution that drives climate change while we transition to solar, wind, and other clean energy sources. The relative climate benefits of natural gas compared to other fossil fuels are well documented, but we only realize those benefits if we prevent natural gas from leaking into the atmosphere before it is burned. For that reason, and due to inaction at the federal level, Virginia must take action to limit methane pollution within its borders. The Virginia Department of Environmental Quality (DEQ) will lead this effort, and will establish a workgroup of environmental, academic and business stakeholders within the next 120 days to support DEQ in its collection and evaluation of data to inform the regulation development process.

"I am committed to ensuring that Virginia is a leader in developing solutions to prevent the worst impacts of a warming climate and changing ocean chemistry, and doing more to reduce carbon pollution," **said Governor Northam.**

Speaking at the Global Climate Action Summit, **Virginia Secretary of Natural Resources Matthew J. Strickler said,** "The twin threats of climate change and ocean acidification pose massive challenges for our economy and way of life in the Commonwealth. We are already starting to feel some of those impacts and Governor Northam and I are committed to collaborating with other states and countries in addressing them."

In addition to these three actions, Governor Northam has taken a leadership role in climate-related initiatives in Virginia by:

- Working to finalize a regulation that would reduce carbon pollution from large power plants by 30 percent over 10 years.
- Negotiating and signing the Grid Transformation and Security Act of 2018 to commit regulated electric utilities to 5,000 MW or solar and wind over the next decade and more than \$1 billion in energy efficiency investments.
- Awarding a \$14 million contract from the Volkswagen mitigation settlement fund to EVgo to begin building out Virginia's electric vehicle charging infrastructure, the first state to do so.
- Permanently authorizing Virginia's Coastal Zone Management Program.

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Governor Ralph Northam Unveils 2018 Virginia Energy Plan

Plan focuses on increasing investments in solar, wind, energy efficiency, energy storage, and electric vehicles

RICHMOND—Governor Ralph Northam today released the 2018 Virginia Energy Plan, which provides a strategic vision for the Commonwealth's energy policy over the next 10 years. With a focus on modernizing the electric grid and promoting innovative technologies, the plan sets goals for renewable energy generation, energy efficiency, and electric vehicles.

“The clean energy sector has the power to create new business opportunities, expand customer access to renewable energy, and spark the high-demand jobs of the 21st century,” **said Governor Northam**. “Virginia can shift to a more modern electric grid that is reliable, affordable, resilient, and environmentally responsible—and the Commonwealth can lead this critical industry as a result. This plan sets an ambitious path forward for Virginia, and I am confident we will charge ahead towards progress over the course of my administration.”

The plan builds upon implementation of the Grid Transformation and Security Act (Senate Bill 966), which Governor Northam signed into law earlier this year. Among other recommendations, the plan calls for a comprehensive grid modernization planning process to facilitate the implementation of Senate Bill 966. The plan also calls for 3,000 megawatts (MW) of solar and onshore wind to be deployed by 2022, 2,000 MW of offshore wind to be deployed by 2028, and for Virginia's utilities to collectively invest \$115 million per year in energy efficiency programs.

“Virginia has significant potential to create new jobs as the energy sector grows and evolves,” **said Secretary of Commerce and Trade Brian Ball**. “This Energy Plan will help guide the Commonwealth to expand and diversify our energy resources while building upon the economic development potential of the industry.”

The Virginia Department of Mines, Minerals and Energy (DMME) is charged with developing and submitting the Virginia Energy Plan to the Governor's Office, the State Corporation Commission, and the General Assembly under § 67-201 of the Code of Virginia.

"DMME made a diligent effort to ensure every stakeholder and citizen had a say in Virginia's energy future," said **DMME Director John Warren**. "We heard from hundreds of individuals on policy recommendations to increase access to solar and wind, energy efficiency, energy storage, and electric vehicles."

Additional recommendations include expanding Virginia's existing solar and wind programs, developing new solar purchase options for corporate customers and small businesses, increasing energy efficiency financing opportunities, establishing electric vehicle targets, and working with stakeholders to evaluate energy storage options. The plan also recommends setting lead-by-example targets for Virginia's state agencies, including a 16 percent renewable procurement target and a 20 percent energy efficiency target.

The full plan can be found here (</media/governorviriniagov/secretary-of-commerce-and-trade/2018-Virginia-Energy-Plan.pdf>).

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Governor Northam Announces Virginia Investment in Electric Transit

Commonwealth to invest \$14 million of Volkswagen Mitigation Trust to support electric buses

RICHMOND—Governor Ralph Northam today announced that the Commonwealth of Virginia will invest \$14 million, or 15 percent, of the Volkswagen Environmental Mitigation Trust to fund the deployment of all-electric transit buses across Virginia. Governor Northam made the announcement during remarks at the Governor's Transportation Conference and Innovation Summit in Norfolk today. The four-day conference is the annual gathering of transportation professionals in the Commonwealth.

"Electric transportation is a critical part of our climate strategy to reduce pollution and advance the clean economy," **said Governor Ralph Northam**. "This funding will support the move to 21st century transit and help make Virginia an even better place to live, work, play, start a business, and raise a family."

"Not only does this program help ensure transit projects can provide the safe and reliable services our citizens deserve," **said Secretary of Transportation Shannon Valentine**, "but it also makes public transit in Virginia environmentally sustainable and cost-effective for years to come."

The Virginia Department of Environmental Quality (DEQ), designated lead agency acting on the state's behalf to implement Virginia's allocation (\$93.6 million) from the settlement, will provide funding through a new Clean Transportation Voucher Program to replace heavy and medium-duty polluting vehicles with cleaner vehicles. The project will be submitted through the Virginia Department of Rail and Public Transportation's annual public transportation capital grant cycle known as MERIT (Making Efficient and Responsible Investments in Transit), which begins December 1, 2018, and runs through February 1, 2019.

Earlier this year, the electric vehicle charging station company EVgo was awarded a contract to develop a statewide public electric vehicle charging network. Together, these two funding announcements account for 30 percent of Virginia's total allocation from the settlement, a significant investment in the transition toward electric transportation and cleaner air.

This second round of funding will serve as an important proof of concept and raise awareness of the availability of electric buses to serve transit agency needs. The goal of the program is to provide enough funding to cover the incremental cost of transitioning from new diesel buses to new all-electric buses.

The Department of General Services (DGS) will soon be adding electric buses to the statewide contract for transit buses. This type of joint procurement decreases administrative and contract costs for local governments and transit agencies. In fact, some transit agencies have already started moving toward electric buses, such as Hampton Roads Transit.

While electric vehicles have no tailpipe emissions, their carbon footprint is dependent on the electricity grid that charges them. On average, electric vehicles in Virginia produce 70 percent fewer carbon emissions than their gasoline-powered counterparts, according to data from the U.S. Department of Energy. A study earlier this year by the Union of Concerned Scientists rated Virginia as one of the best places for electric buses based on carbon pollution. Diesel buses emit 200-300 percent more carbon pollution than electric buses in Virginia.

"Electric buses provide significant public benefit compared to their diesel counterparts," said **Secretary of Natural Resources Matthew Strickler**. "Reduced air pollution from this investment will lead to better health outcomes for Virginia and reduced carbon emissions that contribute to global climate change."

The U.S. Environmental Protection Agency has identified diesel exhaust from sources such as transit buses as a major factor in the urban air pollution that disproportionately affects low-income and disadvantaged communities. Electric buses have zero tailpipe emissions and provide clean air benefits to communities that have historically borne a greater burden of fossil fuel pollution.

MERIT, DRPT's project-based prioritization process for statewide transit capital funding was recently approved by the Commonwealth Transportation Board (CTB). This prioritization is part of a series of public transit reforms mandated by the 2018 Virginia General Assembly. MERIT will ensure core state-of-good-repair projects, such as replacing or rehabilitating bus fleets based upon their age and mileage, are made the highest priority for state funds and are eligible to have 68 percent of project costs covered by the Commonwealth. The Volkswagen settlement funds, in turn, ensure that local transit agencies can replace their fleets with modern, high-efficiency vehicles, while maintaining the local minimum 4 percent required match.

Following comprehensive review and analysis of all funding requests, DRPT will submit a recommended list of projects for the CTB to prioritize under the new MERIT metrics, including these projects eligible for Volkswagen settlement funding. The CTB will make final project funding allocations at its June meeting next year.

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