



## AIR AND CLIMATE PUBLIC ADVISORY COMMITTEE

December 18, 2017  
5:30 - 7:30 P.M.

### DRAFT MEETING SUMMARY

#### ACPAC MEMBERS (\*VIA PHONE)

- Gretchen Goldman, Chair
- John Howes
- Andrew Kambour
- Gabriel Thoumi\*
- Robin Lewis
- Natalie Pien

#### STAFF

- Amanda Campbell
- Tim Masters
- Stephen Walz

#### GUESTS

- Chris Hoagland, Maryland Department of the Environment\*
- Tom Ballou, Virginia Department of Environmental Quality\*
- Eric O'Rear

#### 1. CALL TO ORDER, AGENDA, MEETING SUMMARY APPROVAL AND INTRODUCTIONS

*Gretchen Goldman, ACPAC Chair*

The meeting agenda was approved with no changes. The meeting summary was approved without changes.

#### 2. VIRGINIA'S CLIMATE PLAN AND MARYLAND'S PARTICIPATION IN THE REGIONAL GREENHOUSE GAS INITIATIVE (RGGI)

*Chris Hoagland, Maryland Department of the Environment (via phone)*

*Tom Ballou, Virginia Department of Environmental Quality (via phone)*

Mr. Hoagland said that the Regional Greenhouse Gas Initiative has successfully set a CO<sub>2</sub> emissions cap on power plants. Nine states participate; in addition, New Jersey and Virginia may decide to participate soon. Only a limited number of allowances are issued, which are sold at auction. Plants can trade allowances across RGGI states, which serves to direct reductions toward the lowest cost options. Proceeds from the auctions are invested into residential and commercial energy efficiency programs, clean and renewable energy programs, greenhouse gas abatement, and direct bill assistance for low-income customers. Participating states develop a Model Rule together, then each state writes their own regulations consistent with it. While RGGI has been in place, emissions have dropped about one-third. The cap on emissions will decline about 30% further from 2020 to 2030, with some adaptability built in to cushion the market from price fluctuations.

As Mr. Ballou explained, Virginia has seen a significant decrease in coal generation in the last decade. Renewables are a small but growing portion of the energy mix. After the Clean Power Plan was stayed by the US Supreme Court, the governor issued an executive order to recommend CO<sub>2</sub> reduction strategies and explore opportunities participate in (or “link” to) RGGI along with the other RGGI states. In 2017, the State Attorney General ruled that the State Air Board had existing authority to regulate GHG emissions and establish a trading program. Another executive order was issued directing the board to prepare a carbon cap and trade rule. The proposed carbon regulation relies heavily on the RGGI model, modified to meet Virginia’s circumstances. Sources are issued conditional allowances, which must be consigned through the RGGI quarterly auctions. Proceeds are returned to the sources, which can then be used to purchase allowances needed for compliance. Proceeds are expected to partially offset compliance costs. The RGGI program has several features that stabilize the allowances market. DEQ estimates electric bills will increase 0.3% to 1.1% under the rule. Public comment and public hearings will be held in January 2018.

Prices for compliance are expected to increase in the future due to costs of fuel, inflation, and the tightening cap on emissions allowances.

### **3. STATE LEGISLATION AND LEGISLATIVE PRIORITIES**

*Tim Masters, COG Staff*

About a dozen CEEPC members serve on the Climate and Energy Legislative Committee. COG’s 2018 legislative priorities include several climate, energy, and air quality themes. Maryland’s legislative session adjourns April 9, and Virginia’s adjourns March 10. District of Columbia’s potential bills cover climate change, solar, and electric vehicle infrastructure. Maryland’s covers membership in the US Climate Alliance, the Healthy Air Act and specifications for a solar grant program. Virginia may consider a renewable energy tax credit, agricultural net metering, and use of LEDs in streetlights. Additional considerations for state policy going forward include the status of the Clean Power Plan and the impact of other federal actions on environmental rules.

The CEEPC Legislative Committee may decide to take positions on bills as the legislative sessions proceed.

### **4. LETTER IN SUPPORT OF THE CLEAN POWER PLAN**

*Steve Walz, COG DEP Director*

Mr. Walz presented the draft letter that would be signed by CEEPC, MWAQC, and the Chesapeake Bay and Water Resources Policy Committee chairs opposing repeal of the Clean Power Plan. The repeal of the rule will result in increased greenhouse gases. The District of Columbia Attorney General is submitting comments on the legal aspects of the proposed repeal. Additional hearings will be held in Gillette, Wyoming, Kansas City, Missouri, and San Francisco, California in February and March this year.

ACPAC members expressed broad support for the letter.

### **5. UPDATES**

- **PACE** (*Tim Masters, COG Staff*):  
In 2015, the VA General Assembly passed legislation enabling C-PACE loans in VA. Since then, VA Energy Efficiency Council (VAEEEC) has been involved in stakeholder meetings to develop guidelines and programs to implement PACE in VA.

*Arlington County* passed an ordinance in November 2017 allowing C-PACE loans. It is the first jurisdiction in VA to do so. Other VA jurisdictions have the option to piggyback this contract through a rider clause included in the ordinance.

Maryland passed legislation enabling C-PACE financing in 2014. In the metropolitan Washington region, *Montgomery County*, *Frederick County*, and *Charles County* passed an ordinance enabling property & business owners to take advantage of the C-PACE program.

DC established a C-PACE program in late 2015. DOEE and Urban Ingenuity control the C-PACE financing operation in the District. The new stadium for DC United is the largest C-PACE-financed property in the country, receiving \$25 million in PACE funding over 20 years.

Mr. Walz added that Prince George's County is considering adopting the Maryland statewide model. Property owners in Loudoun County, Fairfax County, and Alexandria are asking for PACE programs to be developed in their location. COG held PACE information sessions earlier this year. So far, all the PACE programs in the region are for commercial properties.

- 2008 Ozone Redesignation and Maintenance Plan Update: MWAQC is expected to approve of the plan at their December 20 meeting.
- Nominating Committee Recommendation for 2018 ACPAC Officers: The Nominating Committee recommended Gretchen Goldman for ACPAC Chair and Tamara Toles-O'Laughlin for Vice Chair.
- ACPAC topics map for 2018 (*Gretchen Goldman, ACPAC Chair*): This working document, posted on the ACPAC website, shows the planned meeting topics for CEEPC, BEEAC and ACPAC for 2018.
- ACPAC January meeting: The next meeting will be January 8. ACPAC member candidates will be invited to participate and introduce themselves.

## 6. ADJOURN