

Climate & Energy Legislative Update January, 2015

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**CLIMATE, ENERGY & ENVIRONMENT POLICY COMMITTEE
JANUARY 28, 2015**



METROPOLITAN WASHINGTON

Council of Governments

ISABEL RICKER, COG DEP

2015 Legislative Subcommittee Members

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- **District of Columbia**

- Mary Cheh, DC Council (Alternate: Nicole Rentz)
- Laine Cidlowski, Office of Planning
- Emil King, Department of Environment

- **Maryland**

- Roger Berliner, Montgomery County (Chair)
- Erica Bannerman, Prince George's County
- Judith Davis, City of Greenbelt
- Leta Mach, City of Greenbelt
- Al Carr, Maryland State Delegate, District 18
- Brian Toll, Ecobeco

- **Virginia**

- Jay Fisette, Arlington County
- Robert Lazaro, Northern Virginia Regional Commission
- Dan Sze, City of Falls Church
- Jonathan Way, City of Manassas

COG 2015 Legislative Priorities - Energy

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- Adopted by COG Board January 14, 2015
- 2015 Climate & Energy Priorities:
 - Advocate for clean energy finance
 - Support deployment of clean, distributed energy generation technology
 - Improve grid resilience
 - Support energy innovation
 - Improve air quality
- Complete COG Legislative Priorities are available here:
http://www.mwcog.org/store/item.asp?PUBLICATION_ID=390

2015 Important Dates

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- **District of Columbia:**

- January 2 – Council period 21 begins

- **Maryland:**

- January 14 – General Assembly sworn in, beginning of session
- January 27 – Bill request deadline
- February 6 – Bill introduction deadline
- April 13 – Sine Die, last day regular session
- June 2 – Governor to sign/veto bills by this date

- **Virginia:**

- January 14 – General Assembly sworn in, beginning of session
- January 23 – Bill introduction deadline
- February 28 – Sine Die, last day regular session
- April 6 – Governor to sign/veto bills by this date
- April 15 – First day of reconvened session

VA –EPA Clean Power Plan

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- Generally, bills limit state’s ability to submit a Plan to EPA
 - SB 740, SB 1365: Require General Assembly to approve a state plan before submittal to EPA.
 - SB 1202: Bars agencies from submitting a plan to EPA for compliance with the Clean Power Plan.
 - SJ 273: Directs DEQ to study 'double-counting' of health benefits.
 - SB 1442: Prohibits DEQ from spending funds to develop or implement a state plan, prohibits plan submittal until Senate, House and SCC have approved it, prohibits EGU retirement prior to “end of engineering lifetime.” Does not allow utilities to raise rates to meet the CPP, but allows rate adjustment clauses to be used to cover costs.

Virginia – Net Metering

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Increase project size caps:

- HB 1622 – Increase cap for residential to 40 kW (from 20kW) and commercial to 1MW (from 500kW). Does not limit standby charges.
- HB 1912, HB 1950, SB 833, SB 764 – Increase cap for commercial systems to 2MW (from 500kW). Do not limit standby charges.

Other net metering bills:

- HB 1911 – Requires SCC to conduct a “value of solar” study before approving standby charges.
- HB 2073 – Allows net metering for “energy balancing customers (e.g. EV-to-grid or energy storage), enables aggregation of these resources.

Virginia – Community Net Metering

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- Different approaches to community net metering
 - HB 1636: Establishes a virtual net metering program for renewable energy projects up to 2MW.
 - HB 1729: Creates “solar gardens” - community net metering for solar energy project up to 2 MW. Allows utilities to charge "reasonable" standby charges as determined by the SCC.
 - SB 350: Establishes community net metering for renewable energy projects on local government facilities up to 5 MW, and for multifamily residential buildings up to 500kW. Exempts these customers from standby charges.

VA - Clean Energy Finance

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- **PACE**
 - Clarify lien issues, enable localities to place a voluntary special assessment on properties, and use an outside PACE program administrator.
 - HB 1446, HB 1665, SB 801
- **Financial Incentives**
 - HB 1728: Property tax credit for 35% of system cost.
 - HB 1650: Grant program for 35% of system cost (passed in '14).
 - HB 1297: Separate, lower M&T tax class for renewables.

VA – Energy Portfolio Standards

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- **Zero Emission Portfolio Standard**
 - HB 2155: Establishes energy diversification goals for utilities: 20% by 2024 and 35% by 2030. At least 40% of the zero emission credits must be from demand-side resources.
- **Energy Efficiency Resource Standard**
 - HB 1730: Makes the RPS mandatory and establishes an EERS with annual escalator for electric (2% by 2030) & gas utilities (1% by 2030).
- **SREC registry**
 - HB 1913: Requires SCC to track SRECs, setting the stage for a future SREC market.

VA – Other Significant Bills

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- **Solar Energy Development Authority**
 - HB 1725, SB 1099 (Senate bill passed committee 1/26)
- **RGGI/Resilience Fund**
 - HB 2205, SB 1323: Direct Governor to join RGGI and create a Commonwealth Resilience Fund with revenue from carbon credit sales.
- **AFV Conversion Grant**
 - HB 1595: Reenacts AFV grant fund for purchase or conversion of government fleets

MD – Introduced/Anticipated Bills

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- **Renewable Portfolio Standard**
 - Maryland Clean Energy Advancement Act of 2015 – would increase RPS to 40% by 2025 (from 20% by 2022)
 - Thermal RECs – proposes to include wood as a renewable fuel
 - Possibly another effort to remove black liquor from RPS
- **Net Metering**
 - Solar industry and MEA working on possible revisions to net metering program; broadening virtual net metering
- **Smart Meters**
 - SB 9: Requires utilities to notify customers and prohibits charges for installing or removing smart meters
- **Fracking**
 - SB 29: Prohibits fracking and storage of discharged liquids from fracking

DC – Anticipated Issues

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- Exelon-Pepco Merger
- Sustainable Financing Mechanisms for Clean Energy
 - Green bank or other District-wide financial entity
- Zoning Issues
 - Pop-up impacts on solar rights and access
 - New Height Act impacts on penthouses, solar setback
- Sustainable DC
 - Waste reduction/recycling issues

Questions?

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- **Next Steps:**

- CEEPC Legislative Committee will have a call to discuss taking positions and writing comment letters on bills of interest
- Correspondence will be sent to applicable legislators
- Ongoing bill tracking
- Update at next CEEPC meeting (will include many more bills from Maryland and the District)

- **Contact:**

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