

## **NASEO Mid-Atlantic Regional Meeting June 3 2020 - VIRGINIA**

### **1. How has your office's operations been impacted by COVID-19?**

- Late January - early February in conjunction with VDEM - DMME COOP and EMC members activated Situational Awareness and reviewed/edited Pandemic Annex.
- Upon state of emergency declaration COOP Pandemic Annex Plan activated
  - Maintain overall situational awareness
  - Limit non-essential domestic travel
  - Monitor absenteeism
  - Implement protective measures
    - PPE
    - Cleaning supplies
  - Sustain essential services
    - Telework with staggered in-office workforce
- a. **Have you been able to improve your office's programs or operations as a result of COVID-19?**
  - We've been able to sustain essential services
  - Reduce costs and quickly adapted to revised meeting schedules in order to promote renewable energy and energy efficiency initiatives.
- b. **What is your plan for returning to the workplace?**
  - Face masks mandatory
  - Continue telework for bulk of staff with an alternating, staggered in-office workforce

### **2. What are lessons learned so far regarding ESF 12 and responding to any energy impacts of COVID-19?**

- COVID-19 crisis caused an unprecedented issue in the fuel industry which faced an unparalleled surplus of winter fuel blend prompting fuel waiver to the ASTM Reid Vapor Pressure specifications for ethanol blended gasoline
- Importance of clear definition of essential personnel in response to emergency orders regulating workforce
  - Fuel industry partners crossing state lines
  - Convenience Stores

### **3. What projects or programs are your office's SEP funds supporting this upcoming year and will you be considering changes due to COVID-19?**

The Division of Energy develops and implements the Virginia Energy Plan and Policy, and associated legislative and executive initiatives, such as the 2018 Grid Transformation and Security Act, the 2019 Executive Order 43, and most recently the Virginia Clean Economy Act. The Division of Energy also works closely with the State Corporation Commission (regulatory), Virginia Department of Environmental Quality (solar permitting, fuel waivers, RGGI), Virginia Department of Housing and Community Development (WAP), and Virginia Department of Social Services (EAP / LIHEAP)

### **Major Renewable Energy and Energy Efficiency Legislation**

Two major legislative actions were achieved over the past three years that have created a path for Virginia to become the first Southern state to transition to a fully clean-energy economy.

- The 2020 General Assembly passed the Virginia Clean Economy Act (VCEA) that puts the Commonwealth on track to achieve 100% carbon-free electricity by 2045, and sets targets for huge investments in energy efficiency, in-state solar and wind power, and energy storage.

- Mandatory Renewable Portfolio Standard (RPS) that requires the state's two large investor-owned utilities to obtain a certain percentage of their energy from carbon-free sources.

- § Dominion Energy Virginia (Dominion) must reach the target of 100% carbon-free electricity by 2045

- § Appalachian Power Company (APCo) must obtain its 100% carbon-free target by 2050.

- A deficiency payments fund will be established and administered by DMME if utilities do not comply with the RPS, the revenue of which would be directed to jobs training and renewable energy programs in historically economically disadvantaged communities, and energy efficiency measures for public facilities.

- § Also under the RPS, Dominion is directed to construct no less than 5.2 GW of offshore wind capacity through the end of 2034, which is the third-largest state commitment in the nation (the utility proposed a 2.6 GW project in 2019).

- The VCEA also establishes an energy efficiency resource standard (EERS) for investor-owned utilities which will require:

- Dominion to reduce energy consumption by 5% of a 2019 baseline by 2025

- APCo must reach a 2% reduction rate.

- The creation of a Percentage of Income Payment Program will protect low-income customers by capping their electricity payments to a set percentage of their income.

- The law also sets specific targets for energy storage, offshore wind and rooftop solar.

- Dominion just petition the State Corporation Commission (SCC) for 2,700 MW of storage

- APCo must seek SCC approval for 400MW of storage, both by 2036.

- Other significant VCEA provisions include the following:

- Raises net metering caps from 1 to 3MW for individual projects, and from 1% to 6% of net load (1% of that is reserved for low-income customers);

- Requires a state government study of how to achieve the 100% clean energy by 2050 target and bars the SCC from issuing any fossil fuel power plant permits until the study is done;

- Requires the SCC to consider the social cost of carbon, including any adverse effects on historically economically disadvantaged communities, in applications to construct a new generating facility;

- Lifts power purchase agreement caps to allow for stable, long-term contracts between utilities and power providers; and

- o Declares 5,200 MW of offshore wind, 16,100 MW of solar and 2,700 MW of energy storage to be in the public interest, which directs the SCC to approve a broad increase in new construction by Dominion and APCo.

## **1. Division of Energy - VEMP – 37%**

VEMP provides energy services and technical support to state agencies and local governments:

- Energy services performance contracting for energy conservation measures and renewable generation
- Demand response
- Electricity and fuels procurement
- Energy data analytics
  - During the 2020 legislative session, the General Assembly passed a bill that requires the head of each state agency to designate a qualified energy manager, who shall be responsible for entering energy and water consumption data for buildings or facilities over 5,000 square feet into the Energy Star Portfolio Manager system. The law also requires the energy managers to coordinate activity with DMME
- Energy assurance and emergency response.

## **2. Division of Energy - Solar and Wind – 18%**

Division programs to deploy or advance renewable generation include:

- Trying to rehabilitate old mine sites for wind and solar installations.
- 2.6 GW of offshore wind by 2026
- State Lead-By-Example project funding
  - 5 state agencies, 1.2 MW solar PV
    - Total solar generation to date for the five initial state solar projects is 1,143-megawatt hours.
  - Solar-enhanced ESPC
- Annual RFP for 10 MW
- Locality support for solar citing, policy, financing and procurement
  - Provide policy and technical assistance to local officials, private companies, and other community members on solar resources and land use, permitting, and environmental decision-making
  - SolSmart Program
- DMME offshore wind research lease
- Support EO 43, including 420 MW renewable energy contract
- Battery storage and pumped hydro pilot studies. Target of 1GW of storage by 2030.
- Clean Energy Advisory Board established to set up a low-income solar program.

## **3. Division of Energy - Financing Energy Investments -31%**

The Division designs and administers financing programs for state agencies, local government and private sector:

- Commercial PACE
  - A law passed by the General Assembly in their 2020 session and signed by the Governor authorizes DMME to sponsor a statewide clean energy financing program. DMME will engage a private entity through a competitive selection process to develop and administer the program.

#### **4. Division of Energy - Transportation Electrification, Alternative Fuels – 12%**

- The Energy Division provides technical support to DEQ climate actions and co-funds Virginia Clean Cities to administer a portfolio of programs:
  - DEQ technical support for:
    - RGGI and Carbon Regulation
    - Transportation and Climate Initiative
    - Volkswagen Environmental Mitigation Trust
      - Statewide public electric vehicle charging network
      - All-electric public transit buses
      - Clean school bus program
  - Alternative Fuels and Advanced Transportation partnership – VDOT, VCC
    - Fleet Conversion - CMAQ funding NG, propane, electric vehicles for public fleets
    - VCC programs - <http://vacleancities.org/about/current-projects/>
      - DMME works with Virginia Clean Cities and other organizations on a variety of energy-related transportation issues that promote the use of alternative transportation fuels and hybrid vehicles for state and local government fleets, mass transit, school buses, and commercial vehicles.