

E&E Energywire

What Va.'s 'political earthquake' means for RGGI, renewables

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Virginia Democrats took control of the state's General Assembly on Tuesday for the first time in 26 years, teeing up action on a number of energy fronts, including carbon trading and renewables.

"There was a political earthquake last night," said Harrison Wallace, Virginia director of the Chesapeake Climate Action Network Action Fund.

"For the first time in the history of this nation's oldest continuous representative government, Virginia will be represented by a clean energy majority," he said.

Wallace said Dominion Energy Inc.'s "stranglehold on the Virginia state Legislature is slowly loosening. Now it's up to our leaders to put Virginia on the path to 100% clean energy" when the next legislative session begins next year.

Democrats ended up with a 21-19 majority in the Senate and a 55-45 majority in the House of Delegates. Along with Democratic Gov. Ralph Northam, the party's agenda can be pursued without fear of being blocked by Republicans.

The group Clean Virginia called the election results "a decisive rebuke to Dominion Energy's unprecedented electoral spending."

All seven seats that flipped in the House and Senate went to candidates who refused campaign contributions from the utilities Dominion Energy and Appalachian Power, the energy advocacy group said.

Clean Virginia noted that nearly 50 seats went to candidates who rejected campaign contributions from utilities, including two Republican incumbents who kept their seats in contested races.

"Dominion was on the ballot this year, and it lost despite its last-ditch efforts at defeating champions of clean energy and clean government," said Clean Virginia Executive Director Brennan Gilmore.

Dominion Energy spokesman Rayhan Daudani said that "sound energy policy isn't a partisan issue" but rather is "the result of conversation with stakeholders on both sides of the aisle, identifying problems and analyzing possible solutions to get the best outcome for the Commonwealth, customers and the environment."

"We've had an excellent record of working with both parties to meet our customers' needs, and we look forward to working with the newly elected and returning legislators in the coming session," he said.

Road to RGGI

The Democrats' victory might smooth the way for Northam's aspiration, announced in September, to have 30% of the commonwealth's electricity come from renewable sources by 2030 and have 100% of electricity coming from carbon-free sources by 2050.

One option would be for the General Assembly to pass a binding renewable portfolio standard. Virginia in 2007 enacted a voluntary renewable energy portfolio goal that eyes investor-owned utilities such as Dominion procuring 15% of their power from renewables by 2025. Environmental groups have attacked it as weak compared with other states.

Topping the list of energy-related initiatives will be joining the Regional Greenhouse Gas Initiative (RGGI), a cap-and-trade program that mandates reductions in carbon dioxide emissions from power plants in 10 Northeastern and Mid-Atlantic states, said state Sen. Adam Ebbin, a Democrat first elected to Virginia's Senate in 2011. He ran unopposed in this week's election.

Moving Virginia into RGGI has been a goal of Northam and his Democratic predecessor in the governor's office, Terry McAuliffe.

But their ambitions were blocked by Republican lawmakers in April, who amended the state budget to forbid Virginia from spending any money "to support membership or participation in" RGGI without the expressed approval of the General Assembly ([*Energywire*](#), April 5).

"That language has to be removed [in next year's budget] for us to move forward," said Thomas Ballou, air data analysis and planning manager with the Virginia Department of Environmental Quality (DEQ).

Virginia would be the first coal state to join RGGI and the first to sign on since the organization's founding in 2009.

McAuliffe issued an executive order in 2017 to put Virginia on the road to RGGI because legislation could not clear the Republican-controlled General Assembly.

Ballou, Wallace and others say they hope the General Assembly will take up a bill to join RGGI when it convenes in January. That would allow for a mechanism by which proceeds from RGGI participation could be used for clean energy programs.

"We had to do some finagling to get [the executive order] to fit into our existing regulatory authority," Ballou said.

If the budget language is excised, the DEQ can begin participating in RGGI next summer by allotting carbon allowances to the state's utilities, which could then take part in the RGGI auction slated for January of 2021, Ballou said.

Dominion spokesman Daudani said a central tenet of the utility's integrated resource plan (IRP) for the next 15 years is presumption of a state or federal mandate to reduce carbon dioxide emissions.

Competition for Dominion?

Democrats taking control may also breathe life into a plan to radically restructure Virginia's electricity market, with the aim of allowing retail electric competition to Dominion and other utilities.

The plan was unveiled in May by the Virginia Energy Reform Coalition, a left-right collection of interest groups ([*Energywire*](#), May 8).

On the left, it includes Clean Virginia, the Piedmont Environmental Council, the Virginia Poverty Law Center, the Earth Stewardship Alliance and Appalachian Voices.

On the right, the coalition includes the FreedomWorks Foundation, R Street Institute, Reason Foundation and Virginia Institute for Public Policy.

They are being advised by Pat Wood, one-time chairman of the Public Utility Commission of Texas and former Republican head of the Federal Energy Regulatory Commission.

Their platform includes creating a competitive retail electric market, instituting performance-based regulation, and forcing utilities to sell off their power plants and become "wires" companies that only operate the transmission and distribution grid.

The coalition issued a statement yesterday congratulating those elected, saying "with that honor now comes the responsibility to act in the public trust for all Virginians, and paramount to that is replacing the current monopoly structure that electric utilities have abused for too long with one that is fair for families and businesses."

Regulatory shake-up

Another outcome of the Democratic takeover could be a change in the composition and sympathies of the State Corporation Commission (SCC) that regulates utilities, among other industries.

In Virginia, the General Assembly elects the three "judges" that are members of the SCC. They serve six-year, staggered terms.

"There are no Rs or Ds next to their names," said SCC spokesman Ken Schrad. "The majorities of both the House and Senate make the decisions as to who gets elected to judicial spots in Virginia," he said.

But all three of its current members, appointed by Republican majorities in the General Assembly, are former officials in the administrations of Republican governors.

And for more than a decade, the regulators have been the target of criticism by consumer advocates and environmental groups for their tendency to approve plans by utilities such as Dominion deemed to be too generous.

Chairwoman Judith Jagdmann was first elected in 2006 and reelected to a third six-year term in 2018 that expires Jan. 31, 2024.

Mark Christie was first elected in 2004 and reelected to a third six-year term in 2016 that expires Jan. 31, 2022.

Patricia West took office in March of 2019, filling an unexpired term that ends on Jan. 31, 2020.

The new Democratic majority will have an opportunity to replace her early next year.

"You can assume that the new appointment will be more consumer and environmentally friendly and that as new laws are made the SCC will be more open based on our requirements for them to consider the environment," said Ebbin.

Ebbin said he does not know if the General Assembly can remove an SCC member whose term is not up. "I don't know how that would work. I haven't heard any talk about it," he said.

The SCC's Schrad said he was unaware of the General Assembly ever removing a member of the SCC before their term expired.

"We have 60 days," Ebbin said, referring to the length of the General Assembly's session.

"I don't think you'll see everything we want to do done all in the first 60 days. But I think people will get a flavor that we'll see some big strides on a number of issues including energy."