

BRIEF

Virginia advances stricter carbon emissions cap rule

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Dive Brief:

- The Virginia Air Pollution Control Board is moving forward with a rule to limit carbon dioxide emissions from the state's power plants, ultimately working to make the state join the Regional Greenhouse Gas Initiative (RGGI).
- As part of the state's efforts to control emissions from the energy sector, the Department of Environmental Quality (DEQ) is considering an initial carbon base budget of 28 million tons beginning in 2020 — more stringent than the 33 millions tons that was considered last year. After the first year, annual CO2 budgets will decline 3% annually.
- Virginia is not the only new state looking to join RGGI, the regional cap-and-trade system focused largely in the Northeast. New Jersey is also working to rejoin the collective after former Gov. Chris Christie withdrew the state in 2012. Observers say both states are on track to begin participating in 2020.

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The revised rule Virginia regulators advanced this week highlights just how quickly clean energy resources are having an impact. When the regulations were examined last year, they included a base of 33 million or 34 million tons. Since then, however, new air modeling shows a more favorable forecast for current emissions, according to the DEQ.

"DEQ recommended this revision to the original proposal based on important information we gathered from our modeling that warrants serious consideration," DEQ Director David Paylor said in a statement. "While not changing the nature of the proposal, this revision is a more aggressive approach to reducing carbon pollution."

"This is what we've seen over time, not just in Virginia but other states," Jackson Morris, director of the Natural Resources Defense Council's (NRDC) eastern region clean energy program, told Utility Dive. "Increased penetration of energy efficiency, renewables costs coming down and the persistent low price of natural gas."

Morris said setting the caps is more of an "art, not a science," and that the decline in the proposed cap is seen "as a good development."

The Air Pollution Control Board authorized a 30-day public comment period on the restructured regulation, which is expected to begin in early 2019. According to Morris, that keeps Virginia on track to link its carbon emissions tracking with the RGGI.

New Jersey is largely on the same track too. NRDC would like the state to cap power plant carbon emissions between 12 million and 13 million tons in 2020, when the state re-enters RGGI, Morris said.

RGGI is a market-based program to reduce greenhouse gas emissions, in which states volunteer to sell nearly all emission allowances through auctions and invest proceeds in energy efficiency, renewable energy and other consumer benefit programs.

The program has been running about 10 years now. Current RGGI members include Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, Rhode Island and Vermont

While the focus has been in New England and the Northeast, Morris said there are no geographic restrictions on how large the program could grow.

"The sky is the limit," Morris said. "There is no need to be geographically contiguous. ... it is a proven model that has delivered economic growth in the clean energy economy while ensuring states are driving down emissions from the power sector."

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