

**REPORT OF THE**

**VIRGINIA COAL AND ENERGY COMMISSION**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



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**COMMONWEALTH OF VIRGINIA**

**RICHMOND**

**2021**

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# **VIRGINIA COAL AND ENERGY COMMISSION EXECUTIVE SUMMARY**

## **Background and Deliberations**

The Virginia Coal and Energy Commission (the Commission) is a 20-member legislative body established by Chapter 25 (§ 30-188 et seq.) of Title 30 of the Code of Virginia that is charged with studying all aspects of coal as an energy resource and endeavoring to stimulate, encourage, promote, and assist in the development of renewable and alternative energy resources. In 2020, the Commission met twice and heard testimony regarding pilot funding for economic development of abandoned mine lands and the Virginia Clean Economy Act.

### **Meeting of October 20, 2020**

The Commission held its first meeting of the interim electronically on October 20, 2020. The meeting began with the election of Delegate Schuyler T. VanValkenburg as chair and Senator David R. Suetterlein as vice-chair, followed by a presentation on pilot funding for economic development of abandoned mine lands.

#### **Pilot Funding for Economic Development of Abandoned Mine Lands**

**Lesa Baker, Abandoned Mine Lands Projects Coordinator, Department of Mines, Minerals and Energy**

Ms. Baker provided an overview of a pilot program that provides funding to reclaim mined lands in a way that enhances economic development. The pilot program is administered by the Department of Mines, Minerals and Energy (DMME) Abandoned Mine Land Program, has been operating in Virginia since 2017, and is funded by fees collected on coal production. The program provides grants for two types of projects: a project that reclaims a particular site in order to suit a specific development and a project that uses reclamation to create favorable conditions for some future business development. She shared several examples illustrating the various types of projects funded by the program and noted that DMME currently has 25 projects in various stages of development.

### **Meeting of December 21, 2020**

The Commission held its second meeting of the interim electronically on December 21, 2020. The meeting was called to order by Delegate Schuyler T. VanValkenburg, chair, followed by the swearing-in of newly appointed citizen members by Kelly Thomasson, Secretary of the Commonwealth. The Commission then heard presentations related to the Virginia Clean Economy Act.

### **Virginia Clean Economy Act**

**Trieste Lockwood, Senior Policy Advisor and Chief Energy Advisor, Office of Governor Ralph S. Northam**

Ms. Lockwood presented background information about the Virginia Clean Economy Act (VCEA), enacted in 2020 as Chapters 1193 and 1194. One of the features of the VCEA is the Renewable Portfolio Standard (RPS), a regulatory mandate to increase production of energy from renewable sources that requires the main power producers to provide 30 percent of their output from renewables by 2030 and 100 percent carbon-free energy by 2050. Other notable points include the Energy Efficiency Resource Standard, which sets out different efficiency percentages for the two major producers, Dominion Energy and Appalachian Power; provisions addressing offshore wind energy generation, including workforce development; and provisions for distributed solar energy generation, energy storage, and energy equity.

### **Dominion Energy Virginia Update**

**Ed Baine, President, Dominion Energy Virginia**

Mr. Baine gave an update on Dominion's part in the VCEA. Explaining Dominion's progress toward the goals established by the VCEA he noted that several solar, wind, energy storage, and efficiency projects and programs were getting underway. Dominion or its partners have put out Requests for Proposals for several large-scale renewable energy projects and filed applications with the State Corporation Commission (SCC) for nine solar projects. Construction of the largest offshore wind project planned in the United States, Coastal Virginia Offshore Wind, is scheduled to begin in 2024. Mr. Baine also provided updates on Dominion's efforts regarding COVID-19 and the deployment of rural broadband infrastructure.

### **CHESSA: Chesapeake Solar and Storage Association**

**Rachel Smucker, Virginia Policy and Development Manager, Chesapeake Solar and Storage Association**

**Will Reisinger, ReisingerGooch**

Ms. Smucker spoke about the Chesapeake Solar and Storage Association (CHESSA). She described the Solar Hands-On Instructional Network of Excellence (SHINE), a 10-day training course to prepare workers for jobs in the solar industry and connect them to companies that are hiring. She also spoke about the need for the Department of Environmental Quality to receive funding to hire additional employees to administer the Permit-by-Rule program and Erosion and Sediment Control program.

Mr. Reisinger spoke about several proceedings before the SCC. Two cases involve the review of the initial RPS compliance plans filed by Dominion and Appalachian Power. Each compliance plan includes proposals to build new generation and to purchase power and renewable energy from private generators in order to reach 100 percent renewable energy output by 2050. Other SCC proceedings involve shared solar, multifamily shared solar, and energy storage.

### **VCEA Update: Energy Efficiency**

**Chelsea Harnish, Executive Director, Virginia Energy Efficiency Council**

Ms. Harnish spoke about the energy efficiency resource standard (EERS), a requirement of the VCEA. Both Dominion and Appalachian Power are required to use energy efficiency measures to procure a certain percentage of their future energy needs. The efficiency requirement is expected to create new partnerships, pilot programs, and business opportunities; implementation of the requirement has already begun.

### **Virginia Clean Economy Act**

**Will Cleveland, Senior Attorney, Southern Environmental Law Center**

Mr. Cleveland described the Southern Environmental Law Center's VCEA-related work as focusing on four areas: plant retirements by Dominion and Appalachian Power in particular, energy efficiency projects by those companies, net metering, and RPS. VCEA requires that after 2025 all Renewable Energy Certificates (RECs) acquired by Dominion and Appalachian Power come from "RPS-eligible sources," which include solar, wind, and certain existing hydro power sources, waste-to-energy or landfill gas generation, and industrial biomass-fired generation facilities. In addition, after 2025, three quarters of all RECs must come from sources within Virginia. Regarding the cost of complying with VCEA, Mr. Cleveland distinguished an SCC staff estimate of the cost of Dominion's buildout plan and a characterization of that plan by Dominion itself, suggesting that no complete analysis of what a least-cost implementation will look like yet exists.

### **Energy Storage**

**Julian Boggs, State Policy Director, U.S. Energy Storage Association**

Mr. Boggs gave an energy storage overview, beginning his presentation by characterizing the energy storage procurement targets of VCEA as "nation-leading." He discussed the proposed new permitting regime for approving third-party storage and spoke of the tax treatment for energy storage. He also discussed the outlook for the encouragement of diverse applications and business models.

## **Conclusion and Recommendations**

The Commission did not make a formal recommendation to the General Assembly.

Additional information about the Virginia Coal and Energy Commission's activities is available through its website at [dls.virginia.gov/commissions/cec.htm](http://dls.virginia.gov/commissions/cec.htm).

Respectfully submitted,

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