

A SIMPLE AND PROVEN CLIMATE SOLUTION FOR VIRGINIA

How does the Virginia cap-and-trade program work?

If a utility wants to burn fossil fuel—like coal or natural gas—at their power plant, they have to buy an allowance for each ton of carbon dioxide they produce. These allowances can be bought and sold in an existing regional auction called the Regional Greenhouse Gas Initiative (RGGI), which helps to keep costs down. The number of available allowances is reduced each year, so, after 10 years, Virginia power plants will be putting 30% less carbon dioxide into the air.

The program does not force utilities to stop burning fossil fuels. The utilities have the flexibility to make cost-effective decisions, but the program helps create a level playing field for all of the ways we can generate electricity by taking into account some of the costs of carbon dioxide pollution.

Do Virginians support taking action on carbon dioxide emissions?

Yes. According to surveys and analysis by the Yale Program on Climate Change Communication, about 70% of Virginians support setting strict carbon dioxide limits on coal-fired plants. Carbon dioxide is the leading cause of climate change, with one of the largest sources in Virginia coming from burning fossil fuels to generate electricity.

Will this program succeed?

Yes, cap-and-trade works. Just ask the states who have already been participating in RGGI, where carbon dioxide emissions are falling 90% faster than the rest of the country, for an overall reduction of 47% over the last decade.

And it is not a new idea. A few decades ago, acid rain plagued the United States, harming and killing fish, wildlife, and forests. The issue is now largely in the past thanks to a cap-and-trade program for nitrogen oxides and sulfur dioxide, the primary causes of acid rain.

How will this program help Virginia's health and environment?

Virginia should see immediate public health and productivity benefits due to reductions in harmful pollutants and particulate matter in the air. Like those states already participating in RGGI, we can expect fewer premature deaths, hospital visits, and lost work or school days, associated with asthma and other respiratory illnesses, strokes, and heart attacks. In just the first six years, already participating states have benefited by an estimated \$5.7 billion due to improved public health.

In the longer term, as more and more countries, states, and cities around the globe implement similar climate solutions, we should also see improvements in the extreme weather and flooding that is already affecting Virginia.

What does this program mean for Virginia's economy?

Savings! It is estimated that over the first decade of RGGI, participating states experienced net economic benefits of \$4 billion. While electricity prices are rising in non-RGGI states across the country, retail electricity prices in RGGI states have actually decreased by 5.7% on average from 2008 to 2017 thanks to investments in energy efficiency programs and cheap renewable energy. Dominion, the largest utility in Virginia, has said that if Virginia had started this program in 2019, the first year alone could have resulted in a \$7.8 million credit to customers.

What is the status of the program?

The program is finalized but cannot be rolled out until the Virginia General Assembly lifts a restriction to spend about \$200,000 per year to administer the program.

What can I do to help?

Contact your state delegate and senator and tell them you support this program. The program will benefit Virginia's economy, improve public health, and is an inexpensive step we can take to start addressing climate change now.

