

ENVIRONMENT AND ENERGY CONSERVATION COMMISSION
c/o Department of Environmental Services
2100 Clarendon Blvd., Suite 705
Arlington, VA 22201

June 25, 2013

The Honorable Walter Tejada, Chairman
Arlington County Board
2100 Clarendon Blvd.
Arlington, VA 22201

Re: Legislative Agenda for the 2014 General Assembly

Dear Chairman Tejada:

Thank you for the early opportunity to present the Environment and Energy Conservation Commission's priorities for Arlington County's legislative agenda for the 2014 General Assembly legislative session.

We laud the County Board's unanimous approval of the Community Energy Plan. Given the County Board's vote to include the Community Energy Plan as part of the County's Comprehensive Plan, Arlington should more aggressively pursue changes in state laws that stand in the way of implementation. Numerous critical and desirable changes needed to Virginia's code include measures that:

Expand Power Purchase Agreements (PPA)

a) Expand PPA Applicability to All Utilities.

PPAs allow nonprofit entities and public agencies to purchase renewable power from private investors who take advantage of the Federal tax credit. PPAs are powerful catalysts for large-scale private investments in solar photovoltaic installations in many other states. The last session of the Virginia legislature passed PPAs albeit in a limited manner. Amending these utility regulations further could unleash these market forces.

Implement Virginia Mandatory Renewable Energy Portfolio Standard (RPS)

b) Implement a Mandatory Virginia-wide RPS.

Support legislation to implement a statewide renewable energy portfolio standard so as to create jobs and remain economically competitive with Maryland and Washington, DC. For example, Maryland and the District of Columbia have each set standards of 2% or greater of the state's electricity mix to be generated by solar or distributed generation resources. Similarly a specific solar carve out should be included in the RPS.

Advance Net Metering

c) Allow community net metering.

This would allow ratepayers to “subscribe” to electricity from solar power produced from registered “Community Energy Generating Facilities.” The idea is to open up the solar electricity market in Virginia to the entire ratepayer base (including renters and condominium owners) and not just property owners and agriculture. This kind of legislation should also lower the investment risk of going solar for “subscribers” and project developers by diversifying the required type and commitment of investors able to participate.

d) Increase or remove the limit on rated generating capacity of customer-generators for which net-metering is available.

The limit on generating capacity of customer-generators for which net-metering is available is 1% of an electric distribution company's adjusted Virginia peak-load forecast for the previous year. Increasing the limit on generating capacity would encourage investment in power generation in Virginia, diversify its sources of power, and increase its energy security. An increase in the limit would also bring Virginia in line with standards in California (5% limit) and New Jersey (no limit), two states where alternative energy markets thrive.

e) Raise the limit on system size eligible for net-metering.

The current limits are set at 20 kilowatts (kW) for residential systems and 500 kW systems for businesses. Changing the limit to at least 2,000 kW for both would put Virginia among the best states for net metering.

Help Arlington’s Economic Competitiveness with Washington, DC and Maryland

f) Establish corporate renewable energy tax credits.

Establish a Corporate Tax Credit for corporate renewable energy production as a catalyst for Northern Virginia’s growing clean technology corridor so as to remain competitive with Maryland.

g) Implement state and utility rebate, sales tax and property tax energy efficiency programs for corporate, industrial, and residential customers.

Ask Virginia to implement state and utility corporate, industrial, and residential sales tax and property tax energy efficiency rebate program so as to remain economically competitive with Maryland and Washington, DC

h) Support “green bank” financing and financial incentives for renewable energy projects.

Encourage Virginia to establish a “green bank” or “green bonds” to allow customers to apply for low-interest loans to help finance clean energy projects. Enact statewide exemptions for real estate and machinery and tools tax for solar installations.

i) Support improvements to the Virginia State Corporation Commission approved rate program for Dominion Virginia Power customers that install solar PV systems and increased incentives.

A pilot program was approved in March 2013 that provides customers that install solar PV with the option to sell both the electricity and solar renewable energy credits (SRECs) to the utility. We would like the SCC to extend the duration of this program, provide customer-generators with the option to sell the electricity, the SRECs, or both to the utility, and increase compensation to customer-generators for electricity generated by solar power and the SRECs so that the VA solar market can compete with DC and MD.

Reduce Economic Risk

j) Direct State agencies to apply climate data to long-term planning.

Ask all state agencies involved in long-term infrastructure development and approvals to consider climate data in planning and assessing infrastructure needs

k) Direct State pension plans to apply climate data to long-term investing.

By establishing that all pension plans for state employees consider climate data in portfolio management strategies, the Commonwealth of Virginia would avoid future unanticipated pension plan shortfalls stemming from risky investments that did not include climate data for financial decision makers.

l) Mandate all state and local planning and zoning commissions consider climate data in all coastal zone and floodplain zoning.

Mandate that all state and local planning and zoning commissions consider climate data (not climate change data) in all coastal zone and floodplain management and infrastructure and land-based, maritime, and air transportation developments and assessment.

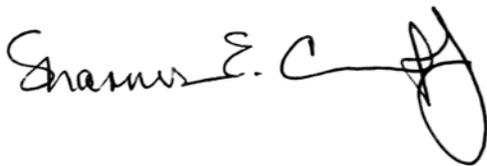
We strongly recommend an aggressive attempt to build coalitions that would support these **changes to Virginia’s laws to improve market conditions for alternative, low carbon energy sources by making them more affordable in Virginia.** We believe many northern Virginia cities (e.g., Falls Church and Fairfax) would be natural allies. With proper framing, Arlington could secure support from Virginia’s Republican and Tea Party members and affiliated interest groups. Such framing should emphasize the wisdom of energy security, decentralized smart grids that allow schools, community centers, and neighborhoods to disconnect from the grid and improve resiliency from storms. It should emphasize creation of new energy markets, the goal of

mobilizing private capital, and the creation of new systems to advance installation of renewable power and district energy.

Lastly, we urge Arlington County to support legislation to restore funding to the Interstate Commission on the Potomac River Basin. The Interstate Commission on the Potomac River Basin (ICPRB) works with numerous partners throughout the basin to coordinate action on water resource issues. This brings to the watershed needed action to address the basin's major challenges, including water quality impairments, water supply, flooding, groundwater use, and nonpoint source pollution.

Again, thank you for the opportunity to provide input to design the County's legislative agenda for 2014, and for your consideration of these recommendations. We look forward to learning how our ideas are incorporated in the County's legislative package.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannon E. Cunniff". The signature is fluid and cursive, with a large, stylized flourish at the end.

Shannon E. Cunniff
Chair