

## **Climate Change, Energy, and Environment Commission (C2E2)**

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### **Introduction:**

The three recommendations below reflect the top priorities of C2E2 considering the County Board's request for what will have the biggest impact for Arlington ("Impactful") and considering feasibility in this dynamic political environment. We further describe how each proposal meets the categories of Urgent, Ready, and Visionary. We also considered two additional criteria: Specific and Actionable. The recommendations were approved at the C2E2 meeting on September 29, 2025. Additional recommendations and ideas are included in the Attachment.

### **Recommendation 1: Benchmarking Authority for Commercial Building Energy Efficiency**

- **Description:** Benchmarking for commercial building energy efficiency is the process of measuring and comparing a building's energy performance against established standards, other buildings, or even itself to identify areas for improvement. Benchmarking helps building owners and managers understand their energy usage patterns, identify inefficiencies, and make informed decisions to improve energy efficiency.
- **Relevant legislation or previous efforts:** Benchmarking authority for *public* buildings was enacted in 2020. Delegate Richard "Rip" Sullivan has previously introduced legislation enabling localities to mandate energy benchmarking for *commercial* buildings, but it has not passed to date.
- **Urgent, Ready, Visionary, Impactful:**
  - **Urgent.** Buildings account for 54% of Arlington's GHG emissions.
  - **Ready.** Achievable. No state budget implications. Provides transparency to building owners and tenants so they can make informed choices.
  - **Visionary.** Leading States and localities, including the District of Columbia and Montgomery County, pursue benchmarking. Companies must measure energy usage in order to focus on managing it.
  - **Impactful:** Benchmarked buildings achieved an annual energy savings of approximately 2.4% each year during a three-year study period. Buildings with below-average energy efficiency saved twice as much energy as those starting above average.<sup>1</sup>

### **Recommendation 2: Authorize and provide seed funding for a robust Virtual Power Plant (VPP) program**

- **Description:** Create structures and financing tools to scale and deploy customer-owned grid assets (e.g., rooftop solar, bi-directional electric vehicles, smart thermostats, and home battery storage) that can be aggregated to reduce peak loads, energy bills, and emissions. Specific legislative provisions could include loan authority for the creation of regional cooperatives to scale VPPs, incentives for the purchase of electric vehicles with two-way charging capability, and mandates for utilities to compensate all distributed generation assets at market rates.
- **Relevant legislation or previous efforts:** In 2025, the General Assembly passed legislation requiring Dominion Energy to establish a pilot program for a VPP. Dominion has opened a comment period to solicit feedback on its program design. Based on an accompanying video,

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<sup>1</sup> [EPA Analysis Shows Energy Benchmarking Yields Big Savings](https://www.energystar.gov/sites/default/files/buildings/tools/DataTrends_Savings_20121002.pdf) (Oct. 11, 2012), available at [https://www.energystar.gov/sites/default/files/buildings/tools/DataTrends\\_Savings\\_20121002.pdf](https://www.energystar.gov/sites/default/files/buildings/tools/DataTrends_Savings_20121002.pdf)

Dominion appears to acknowledge it needs to move beyond fixed incentives, but offers little detail in the way of how it might structure a program or work to expand the number of customer-owned assets available to enroll.

- Urgent, Ready, Visionary, Impactful:
  - **Urgent:** Data center-related load growth in Virginia outpaces all other regions globally.<sup>2</sup> This growth will require a substantial build-out of electric generation and infrastructure, likely shifting costs to the entire customer base and increasing carbon emissions.
  - **Ready:** State lawmakers have familiarity with the potential for VPPs. Seed funding could enable creation of cooperatives eligible for low-interest federal loans through the Small Business Administration, Rural Utilities Service, or private lenders to finance customer assets.
  - **Visionary:** VPPs are operating in parts of the U.S. but are still nascent. Virginia could lead.
  - **Impactful:** At scale, distributed energy resources can be aggregated to efficiently manage resources and help customers build energy equity. The Rocky Mountain Institute estimates VPPs can reduce peak demand by 60 Gigawatts and lower annual power sector expenditures by \$17 billion by 2030.<sup>3</sup>

**Recommendation 3: Establish a Voluntary Corporate Climate Disclosure Program**

- **Description:** Corporate climate disclosure refers to the reporting of climate-related risks and opportunities by organizations, aimed at enhancing transparency and accountability in the face of climate change. Arlington County’s Climate Policy Office is launching a voluntary program that could see companies disclose information about their climate adaptation strategies and greenhouse gas emissions (GHGs). State-wide authorizing legislation could augment Arlington’s effort by accelerating and increasing participation rates.
- **Relevant legislation or previous efforts:** We are not aware of precedent for this legislation in Virginia.
- Urgent, Ready, Visionary, Impactful:
  - **Urgent.** As the impact of climate change intensifies, companies and regulators alike are under increasing pressure to provide transparency about their environmental risks and strategies.
  - **Ready.** There are ready-made templates for legislation from other states that can be adapted for Virginia’s purposes.<sup>4</sup>
  - **Visionary.** Corporate climate disclosures push corporations to accelerate the green transition since consumers and investors are more likely to support those companies that work to decrease GHG emissions and mitigate associated climate risks.
  - **Impactful:** The legislation would encourage disclosure of climate-relevant information--specifically, a company’s Scope 1, 2, and 3 GHG emissions and climate-related supply chain risks. Disclosure of this information will help consumers reward those companies taking steps to reduce their climate impacts.

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<sup>2</sup> 2024 JLARC Study: <https://jlarc.virginia.gov/pdfs/reports/Rpt598.pdf>

<sup>3</sup> 2023 RMI Report: <https://rmi.org/insight/virtual-power-plants-real-benefits/>

<sup>4</sup> [Climate Disclosures at US State Level: 2025 Overview](#)

## Attachment 1. Additional Recommendations Cover Sheet

Note: This listing does not reflect priority order.

- a) Provide additional funding for public transit. Transit funding could be benchmarked against highway funding, without creating direct competition for resources.
- b) Stretch building codes. Legislation would direct the VA Department of Energy to adopt model energy codes beyond IECC (residential buildings) and ASHRAE 90.1 (commercial buildings) that localities would be authorized to implement. Model stretch codes for building energy use are available here: <https://www.energycodes.gov/stretch-codes>
- c) Reauthorize the VA Solar Energy Development and Energy Storage Authority and create the cabinet-level position of state energy “czar”\*
- d) Public education and outreach program. Direct the VA Department of Energy to conduct a comprehensive education and outreach effort targeting residents and commercial/industrial entities on the benefits of adopting energy efficiency and renewable energy measures. Provide funding for a 3-year program and direct partnerships with utilities, nonprofits, VA local governments, and philanthropies to leverage resources and make the program self-sustaining.
- e) Residential solar incentives. Create state-level incentives for solar installations to partially offset the expiration of the 30% Federal investment tax credit, which now expires December 31, 2025.
- f) Rejoin the Regional Greenhouse Gas Initiative (RGGI). Virginia’s short tenure in RGGI clearly demonstrated its value with carbon emissions in Virginia dropping 22 percent between 2021 and 2023 according to the Environmental Defense Fund. After leaving RGGI, emissions soared almost 28 percent in the first quarter of 2024 compared with the same period in 2023. Revenues from RGGI, which raised \$800 million from 2021-2023, have supported energy efficiency upgrades for low- to moderate-income households and community efforts to mitigate flooding and sea level rise.
- g) Green Bank. Strengthen and further fund a Virginia Green Bank or allow for localities to do so with some seed funding.
- h) Create a Virginia Civilian Conservation Corps.\*
- i) Amend State legislation to allow for Community Choice Aggregation.

\*This recommendation is further described in the template format in Attachment 2.

## Attachment 2. Additional Recommendations: Expanded explanations for Select Proposals

### **Recommendation: Authorize the creation of a Cabinet-level Energy and Innovation Czar**

- **Description:** Virginia state government does not have a cabinet-level Energy Department. A cabinet-level Energy Czar (a role that could be filled by the Lieutenant Governor or Director of the Energy Department, elevating the title to Secretary) could coordinate efforts to build new clean energy resources, as well as develop legislative recommendations and oversee current programs. The office could also evaluate bold initiatives such as whether to remain in PJM.
- **Relevant legislation or previous efforts:** None. Could be done by Executive Order, but supportive legislation would be more powerful and durable.
- Urgent, Ready, Visionary, Impactful:
  - **Urgent:** Virginia is facing unprecedented growth of data centers and rising consumer prices. Centralizing leadership on critical and timely issues can help protect consumers and the environment while encouraging economic growth.
  - **Ready:** Simple authorization language could be crafted quickly. In the future, select initiatives may require additional authorization or funding, building on this base.
  - **Visionary:** Developing a strong, cohesive vision for energy and innovation in Virginia is crucial to meet the moment and develop a framework for other states looking to manage AI-driven load growth without increasing emissions.
  - **Impactful:** Coordinating statewide initiatives and elevating the profile of energy issues could lead to quicker, more impactful results and public support.

### **Recommendation: Create a Virginia Civilian Climate Corps (CCC)**

- **Description:** The goal of the climate corps initiative is to both make a difference on climate issues and create career pathways for young people interested in conservation, renewable energy, or other related work. The effort will take on projects in areas including community resilience planning, energy education and outreach, home energy management and conservation, regenerative agriculture, and community solar.
- **Relevant legislation or previous efforts:** There is no precedent for this legislation in Virginia.
- Urgent, Ready, Visionary, Impactful:
  - **Urgent.** As of 2025, 10 states have enacted CCC legislation.
  - **Ready.** Existing legislation from other states can be used as a model for Virginia's CCC.
  - **Visionary.** Creates meaningful work for Virginians while strengthening their communities toward a more resilient climate future.
  - **Impactful:** The CCC could direct 50% of its investments into underserved communities or have high youth unemployment rates. Legislation should mandate a living wage, healthcare and childcare support, and training that leads to stable careers.