



VMA

2108 W. Laburnum Ave., Suite 230, Richmond, VA 23227

October 13, 2021

RE: VA Department of Energy - Decarbonization Plan Public Comments

To Whom It May Concern:

I am writing today to submit comments on the Commonwealth's Decarbonization Plan on behalf of Virginia's 6,750 manufacturers and suppliers.

The VMA clearly understands the 2020 Virginia Clean Economy Act (VCEA). The act establishes a mandatory renewable portfolio standard to achieve 30 percent renewable energy by 2030, a mandatory energy efficiency resource standard, and a carbon-free electric grid by 2045. The bill also declares that 16,100 megawatts of solar and onshore wind, 5,200 megawatts of offshore wind, and 2,700 megawatts of energy storage are in the public interest.

The VMA thinks that energy policies are essential for ensuring sustainable economic growth in manufacturing. We also know that an emphasis on reliable supplies at affordable prices, conservation, increased cost-effective energy efficiency technology and programs, cost effective distributed generation, strengthened infrastructure and investments in new technologies are critical. To assure future energy supplies and national energy independence, alternative energy sources must be developed along with traditional resources. But the decision to develop energy alternatives, which are not market-competitive but are found to be in the public interest by politicians, should be supported through federal and state tax incentives or general fund appropriations to the extent necessary to render them cost-competitive in monopoly energy markets.

Virginia should have rejected renewable portfolio mandates and similar energy regulation mandates, particularly the Virginia Clean Economy Act, due to its economic inefficiencies and higher costs for consumers. Virginia should fully utilize its natural and technological assets in expanding affordable, reliable, secure, and environmentally sustainable energy derived from nuclear, clean coal, oil, natural gas, renewables (e.g., solar, wind, hydro, landfill gas, biomass), combined heat & power, and all offshore/onshore wind resources (e.g., oil, gas, wind, and wave). Virginia should also have adopted a more transparent legislative process to clearly outline the economic costs and benefits to consumers prior to legislative action including State Corporation Commission protections for consumers from costs that are not competitive.

Virginia now [ranks #20 for the Average Retail Electricity Price for Industrial Customers, Cents per KwH.](#) The Virginia Clean Economy Act, as documented by the State Corporation Commission, will drive up

electricity costs by an estimated 61% for industrial customers, but the legislature was clearly instructed otherwise.

Further, the fundamental basis for these policies has been lowering carbon emissions from the electricity sector. Yet, prior to the passage of the VCEA or its companion bills making up the “Virginia Green New Deal” in the 2020 and 2021 legislative sessions, Virginia had already reduced its carbon emissions to place [#15 lowest in the US in metric tons per capita](#). It is also common knowledge that the US overall has already met its obligations to the Paris Climate Accord. Further, the impractical goal of “zero-carbon emissions” from the electrical, transportation, and industrial sectors has never been demonstrated to be empirically measurable, impactful on climate change, or affordable.

In fact, “zero-carbon emissions” goals are an existential threat to every energy intensive trade exposed manufacturer in the Commonwealth – estimated at over 900 factories because they depend upon natural gas as a feedstock, fuel, and affordable resource for electricity generation to compete against national and global competitors.

Manufacturers are proud of their transition from other fuels and sources over the last decade that has resulted in the lowest carbon emissions, PM2.5 emissions, and energy consumption in over 20 years. Throwing away our competitive advantages in energy costs and low-carbon fuels for weather dependent energy that creates massive reliability risks, renewable energy pollution, and uncompetitive costs is a formula for economic disaster. A balanced “all of the above” energy strategy with realistic and achievable low-carbon emissions goals is needed instead of a politically motivated decarbonization plan.

Sincerely,

Brett A. Vassey

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President & CEO