Virginia Energy Plan
Update and Outlook

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The New Energy Future
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Virginia Energy Policy

Code of Virginia, Title 67
Summary: Energy Policy & Objectives

- Ensure availability of reliable energy reasonable costs
- Establish sufficient infrastructure
- Use resources efficiently & facilitate conservation
- Facilitate development of Virginia's low cost resources, including clean coal and natural gas
- Facilitate development of less polluting energy sources
- Foster energy R&D
- Address environmental protection with energy facilities

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Virginia Energy Plan

Outline

1. Introduction and Executive Summary
2. Virginia Energy Resources & Consumption
3. Energy Efficiency & Conservation
4. Energy Infrastructure
5. Energy and the Environment
6. Energy Research & Development
7. Recommendations

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Virginia Energy Plan Goals

- Increase energy independence
  - 40% reduction in rate of energy growth base case
  - 20% increase in in-state energy production base case
- Expand consumer energy education
  - Overcome barriers to consumer action
- Climate change
  - 2000 GHG emission levels by 2025; ≈ 30% from BAU
- R & D / economic development
  - Alternate fuels, nuclear technologies, coastal energy, carbon capture & storage

http://www.dmme.virginia.gov

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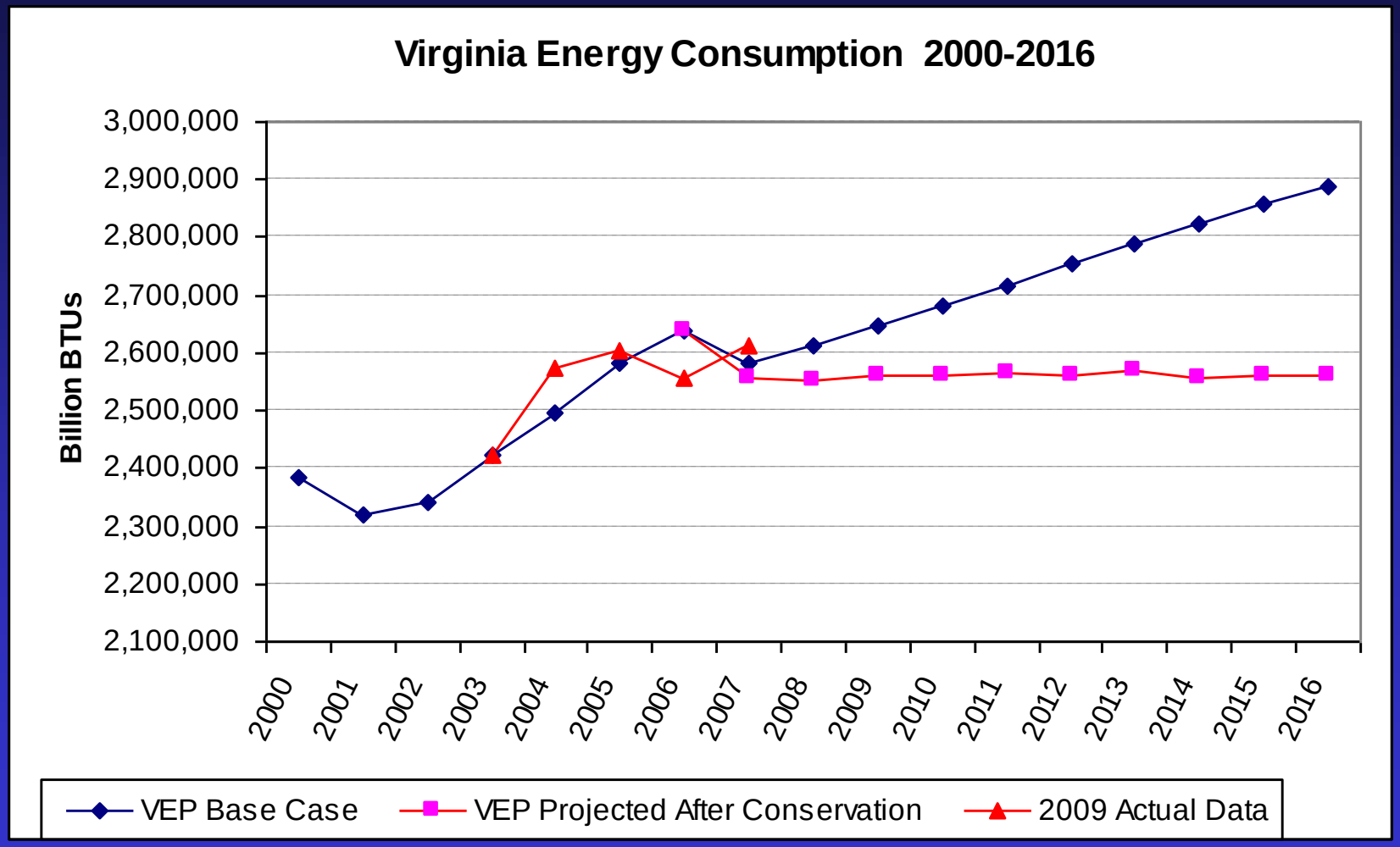
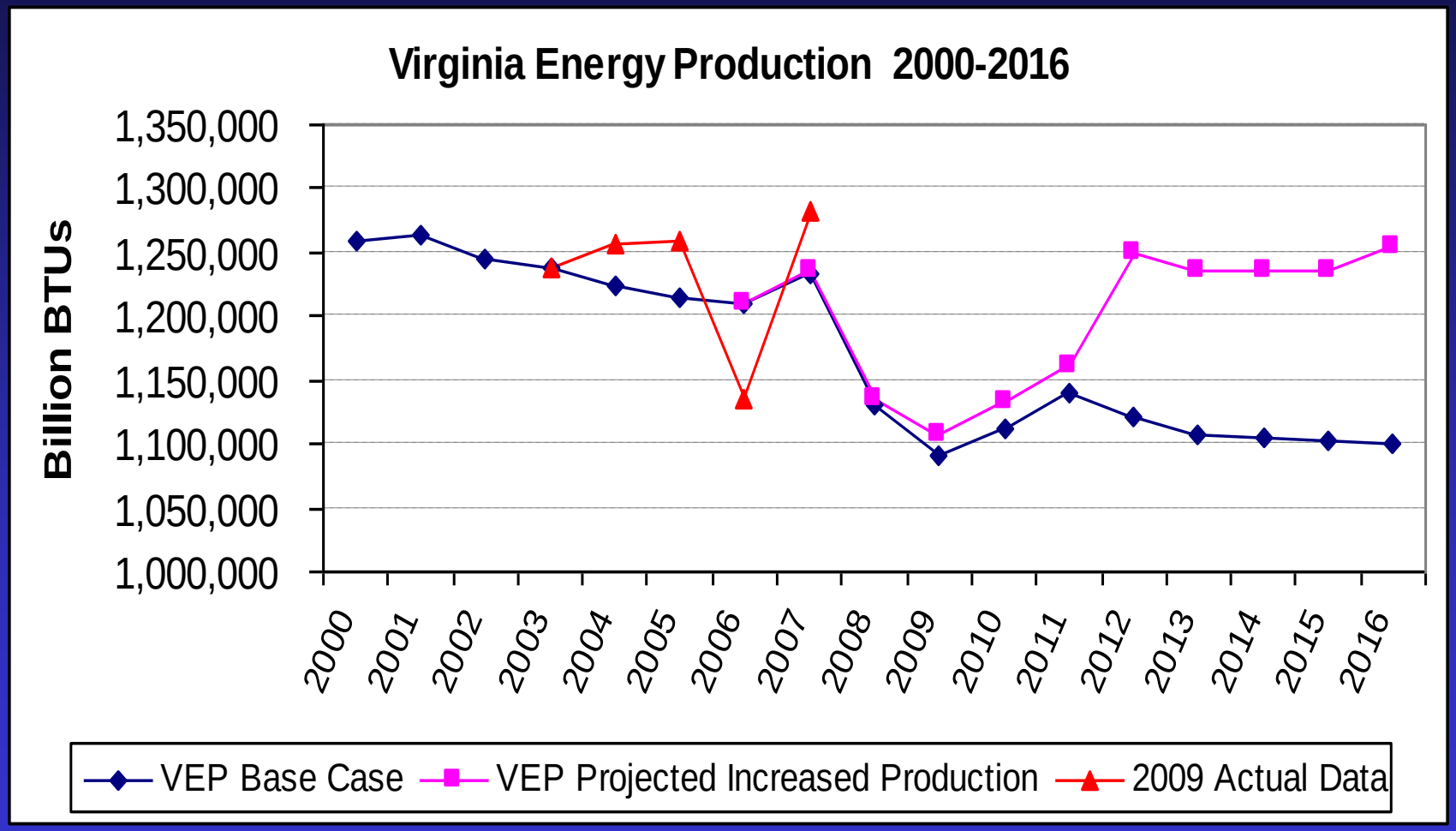
Goal 1 – Reduce Energy Consumption



Goal 1 – Increase Energy Production



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Goal 1 Recommendations

- Increase efficiency incentives
  - Federal income tax incentives expanded in ARRA
  - Third October Energy Star state sales tax holiday - 2009
  - $15 million State Energy Program ARRA rebates
  - $54 million Energy Efficiency Conservation Block Grant
- Expand utility efficiency programs
  - 2008 natural gas conservation/decoupling – Virginia Natural Gas and Columbia Gas of Virginia
  - 2009 electric utility – level playing field between returns for efficiency & generation – Dominion portfolio filed with SCC
  - Electric cooperatives demand response and conservation programs
  - $8 million ARRA to expand utility Energy Star equipment rebates
  - Dominion, coops, municipal smart grid investments

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Goal 1 Recommendations

- Weatherization Assistance Program
  - Double formula funding
  - $94 million ARRA
- Policies to improve building stock
  - 2009 model code implementation; 2012 planning
  - VHEN builder and energy auditor training
  - Home Builders Association – Earth Craft Homes
  - Executive Order 82 – New State LEED/Green Globes
- Residential, commercial, industrial consumers
  - Expanded federal income tax credits
  - Southeast Industrial Energy Alliance

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Goal 1 Recommendations

- Lead by example
  - Executive Order 82 – 25% goal by 2012; Energy savings performance contracts; demand response; natural gas and heating oil purchasing; energy manager training; fleet efficiency standards
  - Local government climate and sustainability plans; EECBG ARRA efficiency investments
- Transportation systems
  - Increased transit funding – Norfolk light rail construction; Dulles Metro expansion
  - Northern Virginia HOT lanes
  - Executive Order 82 – 2% biodiesel after July 1, 2010
  - Multi-modal state transportation plan

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Goal 1 Recommendations

- Expanded renewable production
  - Expanded RPS
  - VCERC offshore wind R&D
  - DEQ permit by rule for small renewable systems
  - $38 million State Energy Program ARRA funding for solar/wind
  - RPS excess production payments
  - New interconnection standards and right of way access
  - Highland New Wind under construction; expanded landfill gas generation
- Energy infrastructure investments
  - Electric transmission and distribution lines
  - HRX natural gas pipeline crossing
  - MMS OSC oil and gas lease sale 220
  - Biofuels production and pipeline shipment

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Goals 2 Recommendations

- Expanded energy education
  - SCC Consumer Education Plan

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Goals 3 Recommendations

- Energy and environment
  - Governor's Commission on Climate Change
  - No state GHG reporting; EPA rule development
  - Land use – transportation standards
    - New secondary road standards for compact development
    - High growth localities
      - Urban development areas
      - Transportation impact fees
      - Transportation service districts
    - CTB transportation and land use performance measures
- SW VA carbon capture and storage test

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Goal 4 Recommendations

- Reliable investments in energy RD&D
  - Tobacco Commission RD&D investments
    - $40 million in 5 energy technology centers
    - Up to $100 million in energy commercialization deployment
  - VCERC investments – algae and offshore wind
  - VT Center for Coal and Energy Research
  - State university internal fund investments
  - CIT SBIR/STTR assistance
  - Difficulties in matching federal funds

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Goal 4 Recommendations

- Interagency Task Force for Energy Project Recruitment
- $10 million State Energy Program ARRA planned for new jobs in clean energy businesses (pending DOE approval)
- Nuclear support – AREVA, Babcock & Wilcox, Northrop Grumman
  - Lynchburg and Campbell County facilities
  - Newport News reactor component manufacturing
- Coal and Energy Commission uranium mining study

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Virginia Energy Plan – 2010 Update

- Updated every 4-years corresponding to new Governor's term – due June 30, 2010
- Process
  - Data and projections update
  - Evaluation of results from existing plan goals and recommendations
  - Public input
  - Gubernatorial input
  - Legislative input
  - Drafting and release

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Virginia Energy Plan – 2010 Update

- Data update
  - Consumption history & projections
  - Production history & projections
  - Sector-by-sector consumption
  - Infrastructure changes
  - Environmental trends & changing regulatory environment
  - Energy R&D actions and trends

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Virginia Energy Plan – 2010 Update

- Public input
  - Governor's Energy Policy Advisory Council
  - Hearings/listening sessions around state
  - Web-input; social media
  - Meet with consumer and energy stakeholders
- Collaboration with SCC and VCCER
- Legislative input
  - Coal and Energy Commission
  - Commission on Energy and Environment
  - Manufacturing Development Commission
  - Commission on Electric Utility Regulation

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