



Commonwealth of Virginia
Office of the Governor

Executive Order

NUMBER FIFTY SEVEN (2016)

DEVELOPMENT OF CARBON REDUCTION STRATEGIES FOR ELECTRIC POWER GENERATION FACILITIES

Part I – Importance of the Initiative

Though our coastal communities may be the first to witness the effects of climate change, the risks presented by increasingly fierce storms, severe flooding, and other extreme weather events are not confined to a single geographic area. Neither are their causes. The economic implications are significant, and we must do all we can to protect our critical military infrastructure, our ports, our homes, and our businesses. It is only by acting together with common purpose that the Commonwealth can effectively adapt and stave off the most severe consequences of climate change.

One key step forward is to continue with a strategic goal of reducing carbon emissions. Virginia has already made meaningful strides – between 2005 and 2014, Virginia reduced its carbon emissions from power plants by 21 percent. However, the electric sector is still responsible for approximately 30 percent of the carbon dioxide pollution in the Commonwealth. Moreover, electric companies are including carbon regulation projections in their long-term plans. The electric sector is changing rapidly through increasing reliance on low and zero carbon resources. As such, it is vital that the Commonwealth continue to facilitate and engage in a dialogue on carbon reduction methods while simultaneously creating a pathway for clean energy initiatives that will grow jobs and help diversify Virginia's economy.

Accordingly, by virtue of the authority vested in the Governor under Article V of the Constitution of Virginia and under the laws of the Commonwealth, I hereby direct the Secretary of Natural Resources to convene a Work Group, chaired by the Secretary, to study and recommend methods to reduce carbon emissions from electric power generation facilities. The Secretary shall receive input from interested stakeholders.

Such methods shall align with the Virginia Air Pollution Control Board's power to promulgate regulations abating, controlling and prohibiting air pollution throughout or in any part of the Commonwealth.

Part II – Scope and Guidance

In preparing their recommendations, the Secretary and the Work Group shall consider the following:

(1) the establishment of regulations for the reduction of carbon pollution from existing electric power generation facilities pursuant to existing authority under Virginia Code § 10.1-1300 *et seq.*;

(2) the carbon reduction requirements for existing electric power generation facilities established under § 111(d) of the federal Clean Air Act, which are currently stayed pending final disposition;

(3) the interaction between electric utilities and regional markets, including PJM Interconnection;

(4) the impact any reduction requirements place on the reliability of the electric system;

(5) the impact any reduction of carbon pollution may have on electric rates and electric bills;

(6) the impact of reducing carbon pollution on low income and vulnerable communities;

(7) the cost effectiveness of pollution reduction technologies that may be deployed;

(8) the economic development opportunities associated with deployment of new carbon reduction technologies;

(9) the implementation and administration of carbon reduction regulations; and

(10) flexibility in achieving the goals of any carbon reduction regulation.

The Secretary of Natural Resources shall complete her work, including the development of recommendations as to viable carbon reduction methods for the electric power generation facilities by April 30, 2017. The Secretary of Natural Resources shall provide a report on the recommendations to the Governor by May 31, 2017.

Effective Date of the Executive Order

This Executive Order shall be effective upon its signing and shall remain in full force and effect for one year after its signing unless amended or rescinded by further executive order.

Given under my hand and under the Seal of the Commonwealth of Virginia this 28th Day of June, 2016.

Terence R. McAuliffe, Governor

Attest:

Kelly Thomasson, Secretary of the Commonwealth