## CLIMATE CHANGE, ENERGY AND ENVIRONMENT COMMISSION

c/o Department of Environmental Services 2100 Clarendon Blvd., Suite 705, Arlington, VA 22201

July 27, 2021

The Honorable Matt de Ferranti Chair Arlington County Board 2100 Clarendon Blvd. Arlington, VA 22201

## Re: C2E2 Input on Arlington's 2022 Climate Change, Energy and Environmental Legislative Priorities

Dear Chair de Ferranti

Thank you for the opportunity to provide input on Arlington's priorities for the 2022 legislative session. The 2020 and 2021 General Assembly (GA) made major strides in addressing climate change but additional legislation and funding are required for Arlington and the Commonwealth to meet carbon neutral climate goals. We need ambitious, strategic investments in new and established climate, energy, and environmental programs, greater local control to implement policies and regulations to advance goals within local conditions, and funding mechanisms to advance local transformations.

Our recommendations are organized around Arlington's climate change, energy and other environmental goals and reflect overall priority within each topic. However, addressing the climate crisis is urgent, solutions are complex, and action across the board is critical for Arlington to reach its goals.

## CLIMATE CHANGE/ ENERGY

The Arlington Community Energy Plan (CEP) calls for a carbon neutral community by 2050. A carbon-neutral Arlington will require: moving our built environment to net-zero carbon; transforming the electricity market to make renewable energy accessible, affordable, and reliable for all ratepayers; supporting local deployment of renewable energy; and shifting transportation to electric or zero emissions vehicles.

*Net-Zero Carbon Buildings:* Buildings account for almost 60 percent of Arlington's greenhouse gas emissions and meeting the CEP's goal for carbon neutrality will require energy efficiency improvements of about 40 percent from current levels and a transition away from use of fossil fuels, primarily natural gas, for heating, cooking, hot water and other uses. Given Virginia's delayed adoption of the latest building codes Virginia lags behind best practices for energy efficiency, and due to the Dillon Rule, Arlington's ability to require developers to meet appropriate energy efficiency standards is limited. Funding and other mechanisms to support

retrofitting of existing buildings are also limited. State legislation that could advance the County's goals include:

- <u>Local Authority to Establish Energy Conservation Requirements:</u> Localities should be authorized to adopt measures that are more stringent than the minimum standards of the Virginia Energy Conservation Code. This approach could include the option for localities to adopt residential and commercial "stretch codes" that are compatible with local climate and energy goals.
- Stronger Energy Conservation Code: Support legislation to reform the process of updating the Virginia Energy Conservation Code. International Energy Conservation Code updates should be adopted promptly without weakening amendments each time a new iteration is adopted by the International Code Council (within two years of its adoption) and should reflect Virginia's commitment to achieve carbon neutrality by 2050 or sooner.
- <u>Benchmarking:</u> Authorize localities to require commercial buildings 50,000 square feet and larger to disclose annual energy usage to the locality to help drive policies to improve energy efficiency and reduce GHG emissions.

*Electrification of Transportation*: The adoption of advanced clean car standards during the 2021 General Assembly set the stage for reduction of greenhouse gas emissions from transportation but fell short of providing funding to accelerate the transition to electric vehicles. Additional measures that would facilitate Arlington's transition include:

- <u>Electric School Buses:</u> Legislation is needed to speed the transition of school bus fleets to zero emissions, leveraging bus batteries as a vehicle-to-grid asset when not in use. Legislation failed narrowly in 2021, setting the stage for a successful bill in 2022.
- <u>Electric Vehicle Rebates:</u> The General Assembly successfully created a strong EV rebate program in 2021. The challenge in 2022 is to provide sufficient funding to implement the program.
- Grant Funding for Electric Transit Buses: Grant programs aimed at supporting the transition of public transit to electric buses should be reviewed to ensure the same consideration for replacement of CNG buses as for diesel buses.
- <u>EV Charging Standards</u>: Set minimum requirements for EV charging stations and include them in planning for parking in new buildings. Incentives need to be permitted when buildings make changes to parking structures and capacity.

*Green Financing* Arlington would benefit from having mechanism to fund energy upgrades of existing buildings, particularly for low- to middle- income housing and small businesses, to meet carbon neutral standards such as:

On-Bill Financing/On-Bill Repayment: Establish on-bill financing (utility-funded) and/or on-bill repayment (third-party funded) programs for energy efficiency upgrades to residential and commercial properties. These programs are offered by 110 energy utilities across the nation. They help address energy equity by providing low interest rates, long pay-back periods, performance-based improvements, and pre-qualified contractors.

- <u>Green Bank Support:</u> Fund jurisdictions to assist in capitalizing Green Banks and accelerate their development. Furthermore, modifications to the 2021 legislation may be necessary to allow jurisdictions to join together to create regional Green Banks.
- <u>Local Administration of Clean Energy Programs</u>: Direct the State Corporation Commission (SCC) to find it in the public interest for localities to manage appropriate energy efficiency programs using funds available under the Grid Modernization Program

**Renewable and Reliable Electricity:** Arlington's goal is for all electricity used within the County to be generated from renewable sources no later than 2035, 10 years earlier than Virginia's similar target for Dominion Power. Major transformations of the electricity market are required to ensure Arlington users have access to clean, reliable, and affordable electricity. Legislation can ensure:

- <u>Competition in Renewable Electricity Markets</u>: Provide both residential and commercial properties with choice in selecting a renewable energy provider for their home/facility
- Ratepayer Protections: Support legislation aimed at regulating Virginia's utility companies' ability to overcharge ratepayers or pass on excessive costs related to transitioning to renewable energy and losses resulting from stranded fossil fuel assets, such as eliminating loopholes preventing the SCC from reducing rates or requiring refunds from overcharging and limiting administrative fees that utilities can charge for participants in the multi-family shared solar program.
- <u>Cost-Effective Demand-Side Management Programs</u>: Require Dominion to expand and strengthen demand management incentives for residential and non-residential customers. This effort would be particularly beneficial for the Northern Virginia urban region with known transmission and distribution congestion issues.
- Energy Storage Safety and Permitting: Revise statewide codes and standards regarding installation of battery, thermal, and mechanical energy storage systems in densely-populated areas, as well as development of model ordinances for localities to consider for zoning and permitting purposes, like the Model Ordinances for Wind and Solar developed by DEQ.

## **ENVIRONMENT**

Clean air and water, access to parks and open spaces, healthy natural areas, less waste and litter are key elements of a healthy environment and community. Arlington would benefit from greater authority and support from the State to advance its goals in these areas.

**Stormwater Management**: Increase funding for the Stormwater Local Assistance Fund (SLAF). These 50-50 matching grants are critical to helping localities better manage polluted run-off.

**Plastic Pollution and Waste Reduction**: Implementation of Arlington's Zero Waste Resolution, passed in 2015, depends on reducing overall waste generated within the County, particularly of single-used plastics that come with a hefty environmental impact throughout their lifecycle. Broad Expanded Producer Responsibility legislation, such as was recently passed by <u>Maine</u> and <u>Oregon</u>, which passes cost of recycling to companies, should be supported. Barring such expansive legislation, Arlington should support any incremental legislation that expands local authority to regulate use of single-use plastics or similar statewide measures such as:

- A 5-cent Tax on Paper Bags. When combined with an allowed 5 cent tax on plastic bags, a tax on paper bags, which also have serious environmental impacts, would further incentivize consumers to shift to reusable bags.
- <u>Local Authority to Ban or Tax Select Single-use Plastics</u> such as straws that are not recyclable or compostable and for which suitable alternatives exist.

*Urban Forest and Natural Resources*: Support legislation to preserve and promote growth of healthy, vibrant urban forests essential to the environment and quality of life by reducing heat island effects, improving water and air quality, reducing stormwater runoff, and combating climate change.

- Reenact SB 1393: This bill gives jurisdictions the authority to exceed tree replacement and conservation requirements, passed this year, but must be reenacted in 2022 to go into effect. Further efforts to allow jurisdictions to protect and expand its tree canopy would be beneficial.
- <u>Combat Invasive Plants</u>: Pass legislation to control the commercial sale and planting of invasive plants, which are overrunning our parks and natural areas and undermining the health of these ecosystems.

**Reduced-Carbon Cement**: Support legislation requiring state agencies to take into consideration use of reduced carbon cement in contracts for state construction projects and providing incentives to cement companies to create product labeling identifying embedded carbon used in their products. Such labeling would facilitate the County including similar conditions for its construction projects requiring large amounts of cement.

*Gas-powered Leaf Blowers*: Enact legislation that allows localities to ban or heavily regulate the use of gas-powered leaf blowers and other lawn equipment within their jurisdictions. Gas-powered lawn equipment contributes to GHG emissions in the United States, affects air quality, and is a major source of noise pollution.

We appreciate your consideration of these recommendations. We are available to answer questions and provide additional information regarding any of these proposals.

Respectfully,

Joan McIntyre,

Chair Climate Change, Energy and Environment Commission

cc: Arlington County Board

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