

February 10, 2022

RE: Virginia Businesses Support the Virginia Clean Economy Act (VCEA), Regional Greenhouse Gas Program (RGGI), and Clean Cars; Oppose HB 118

Dear Chair Byron and Members of the House Commerce and Energy Committee:

Ceres is a nonprofit organization working with major companies and investors to build economic solutions to climate issues. We write today to share the position of the business community in Virginia on the bills before the Committee that propose to modify the Virginia Clean Economy Act (VCEA) as well as Virginia's participation in the Regional Greenhouse Gas Initiative (RGGI) and Advanced Clean Cars ("Clean Cars") program. Members of Ceres BICEP Network¹ with operations in Virginia include Adobe, Ball Corporation, IKEA, JLL, Kaiser Permanente, Lyft, Mars Inc., McDonald's, Microsoft, Nestle, Salesforce, Unilever, Workday, and Worthen Industries.

As large employers and energy users, businesses understand how Virginia's energy policy affects the cost of doing business. Maintaining market-friendly climate policies like the VCEA, RGGI and Clean Cars will enable Virginia to make critical progress on pollution and decarbonization while investing in a competitive, resilient economy. The VCEA is an attractive policy for companies looking to power their operations with renewable energy to make investments in Virginia. Energy efficiency and renewable standards keep energy costs low, consistent, and predictable over the long-term, allowing companies to plan ahead. That's why 97 companies in Virginia have committed to power all of their corporate operations with 100% renewable energy. Continuing to participate in RGGI will ensure that state's clean energy transition includes critical financial support to vulnerable coastline communities through flood mitigation programs and to vulnerable households statewide through funding for low-income energy efficiency programs. Further, predictable, stable energy policy sends a signal to new businesses that Virginia is a good place to invest.

On behalf of seven businesses and four higher education institutions, I am pleased to share the **attached letter** urging the Virginia Legislature to maintain and build upon the considerable progress made in recent years to confront the climate crisis and build a competitive in-state clean energy market. The following companies, **Hannon Armstrong, Lutron, Mars, Inc., Nestlé, Unilever, Workday, and Worthen Industries**, and higher-ed institutions **Sweet Briar College, University of Lynchburg, Virginia Foundation for Independent Colleges, and Virginia Wesleyan University** share their support in the letter for the VCEA, RGGI, and Clean Cars, citing the significant business benefits of these policies, such as lower energy costs, new in-state investments, and programs that will help them meet their own climate goals. The signatories urge legislators to maintain a hospitable environment for clean energy investments going forward.

Thank you for your time and consideration, and please be in touch with any questions.

Sincerely,

Mel Mackin
Manager, State Policy, Research & Campaigns
Ceres
mackin@ceres.org

¹ The Ceres Business for Innovative Climate and Energy Policy ("BICEP") Network is a group of nearly 80 companies that support policies to prevent the dire financial and material risks of the climate crisis. BICEP members are committed to advocating for stronger climate and clean energy policies at the state and federal levels.



Dear Members of the Virginia General Assembly:

The road to a low-carbon economy is paved with opportunity. The passage of the Virginia Clean Economy Act in 2020, the adoption of the Advanced Clean Car Standards in 2021, and the recent move to join the Regional Greenhouse Gas Initiative position the Commonwealth to make critical progress on decarbonization while investing in a competitive, resilient economy. As major employers and businesses in Virginia, we write to express our appreciation for your leadership and to share our ongoing support for policies that deploy clean technologies and achieve economy-wide emission reductions.

As major energy consumers with operations and investments in Virginia, we understand the economic risk posed by climate change and the parallel opportunity presented by a low-carbon economy. The Virginia Clean Economy Act (VCEA) established an important framework for effectively decarbonizing Virginia's electricity grid and protecting public health, and the market-based mechanisms of the Regional Greenhouse Gas Initiative (RGGI) ensure that the Commonwealth pursues the most economically efficient carbon reduction pathways. Proceeds from RGGI will allow Virginia to establish energy efficiency programs and enable localities to create or sustain flood mitigation programs. It is critical that these programs persist to ensure both the state and our companies achieve our shared goals of driving new in-state investment, encouraging innovation, and fostering long-term economic health.

Because transportation is the largest source of emissions in Virginia and nationwide, the implementation of the new low-emission vehicle and zero-emission vehicle standards under the Advanced Clean Car (ACC) Program and the pursuit of new policies under the Multi-State Medium- and Heavy-duty Zero Emission Vehicle Memorandum of Understanding are also integral to the Commonwealth's decarbonization plan. Over the next few years, the ACC program will increase the availability and development of more-efficient vehicle models in Virginia, build a more competitive marketplace, support consumer choice, and provide access to cost-saving opportunities for all Virginians.¹ Additional standards that apply to commercial trucks and buses will ensure that businesses also have access to the vehicles they want to decarbonize their fleets, reaping cost-saving benefits,² and reducing local air pollution.

¹ Federal fuel economy standards saved Virginia \$870 million through 2017 and were projected to save households an additional [\\$2,900 in fuel costs](#) by 2030 before the Trump Administration rollbacks.

² Most EV owners save between [\\$6,000 - \\$10,000](#) over the lifetime of the vehicle through reduced fuel and maintenance costs.

Clean energy and vehicle standards are an important tool for businesses to cut energy costs, avoid the volatility of fuel prices, and stay competitive. Our companies are motivated to make investments in places where we can access these types of policies. The suite of policies mentioned above is essential to building a predictable pathway for decarbonization in Virginia and should continue to be prioritized alongside fair and equitable opportunities for customer-driven renewable energy. In the coming years, we hope Virginia will continue to provide a hospitable environment for clean energy and clean transportation investments and, in turn, remain on track in its pursuit of a prosperous low-carbon economy.

We look forward to working with you during the 2022 legislative session.

Sincerely,

Hannon Armstrong
Lutron
Mars, Inc.
Nestlé
Sweet Briar College
Unilever
University of Lynchburg
Virginia Wesleyan University
Virginia Foundation for Independent Colleges
Workday
Worthen Industries