



# COMMONWEALTH of VIRGINIA

## *Executive Department*

### **Executive Directive 11 (2017)**

#### REDUCING CARBON DIOXIDE EMISSIONS FROM ELECTRIC POWER FACILITIES AND GROWING VIRGINIA'S CLEAN ENERGY ECONOMY

There is no denying the science and the real-world evidence that climate change threatens the Commonwealth of Virginia, from our homes and businesses to our critical military installations and ports. Rising storm surges and flooding could impact as many as 420,000 properties along Virginia's coast that would require \$92 billion of reconstruction costs.

The challenges and costs of bolstering resilience and minimizing risk are too great for any locality to bear alone. While the impacts are significant, there are technologies in the clean energy sector that could help mitigate these impacts while simultaneously creating jobs in twenty-first century industries. The number of solar jobs in Virginia has grown by 65 percent in the last year alone, and Virginia is now the ninth fastest growing solar jobs market in the country. Revenue for energy efficiency businesses in Virginia has increased from \$300 million in 2013 to \$1.5 billion in 2016. Through state leadership, Virginia can face the threats of climate change head on and do so in a way that makes clean energy a pillar of our future economic growth and a meaningful part of our energy portfolio.

With these considerations in mind, I issued Executive Order 57 (EO 57) on June 28, 2016. Under EO 57, I directed the Secretary of Natural Resources to convene a work group to study and recommend methods to reduce carbon dioxide emissions from electric power facilities and grow the clean energy economy within existing state authority. The group consisted of the Secretary of Natural Resources, the Secretary of Commerce and Trade, the Director of the Virginia Department of Environmental Quality, the Director of the Virginia Department of

Mines, Minerals and Energy, and the Deputy Attorney General for Commerce, Environment, and Technology. This group facilitated extensive stakeholder engagement over the last year, including six in-person meetings and a three month public comment period, before compiling the recommendations and submitting a final report to me on May 12, 2017.

Among the most significant recommendations from the group is the need to develop regulations limiting the total amount of carbon dioxide emitted from electric power facilities. Given the nature of the climate change threat and the promise of clean energy solutions, I agree with this recommendation.

Accordingly, pursuant to the authority vested in me as the Chief Executive Officer of the Commonwealth, and pursuant to Article V of the Constitution and the laws of Virginia, I hereby direct the Director of the Department of Environmental Quality, in coordination with the Secretary of Natural Resources, to take the following actions in accordance with the provisions and requirements of Virginia Code § 10.1-1300, *et seq.* and Virginia Code § 2.2-4000, *et seq.*:

1. Develop a proposed regulation for the State Air Pollution Control Board's consideration to abate, control, or limit carbon dioxide emissions from electric power facilities that:
  - a. Includes provisions to ensure that Virginia's regulation is "trading-ready" to allow for the use of market-based mechanisms and the trading of carbon dioxide allowances through a multi-state trading program; and
  - b. Establishes abatement mechanisms providing for a corresponding level of stringency to limits on carbon dioxide emissions imposed in other states with such limits.
2. By no later than December 31, 2017, present the proposed regulation to the State Air Pollution Control Board for consideration for approval for public comment in accordance with the Board's authority pursuant to Virginia Code § 10.1-1308.

**Effective Date**

This Executive Directive shall be effective upon its signing and shall remain in force and effect unless amended or rescinded by further executive order or directive.

Given under my hand and under the Seal of the Commonwealth of Virginia, this 16th day of May, 2017.

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Terence R. McAuliffe, Governor

Attest:

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Kelly Thomasson, Secretary of the Commonwealth