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October 11, 2023

The Honorable Glenn A. Youngkin
Governor of Virginia
P.O. Box 1475
Richmond, VA 23218

Dear Governor Youngkin:

On behalf of the Fairfax County Board of Supervisors, I am writing to you regarding an issue of critical importance to Fairfax County – the proposed withdrawal of the Commonwealth of Virginia from the Regional Greenhouse Gas Initiative (RGGI).

As you know, in 2020, the General Assembly passed, and the Governor of Virginia signed into law, the Virginia Clean Energy and Community Flood Preparedness Act. This Act directed the Virginia Department of Environmental Quality (DEQ) to establish through regulation a carbon dioxide cap and trade program to reduce emissions from facilities generating electricity. The Act also authorized Virginia to link this program to the Regional Greenhouse Gas Initiative, a cooperative effort among twelve Eastern states from Maine to Virginia, to reduce carbon dioxide (CO₂) emissions from power plants within each participating RGGI state. Together, the states established a regional limit on CO₂ emissions from regulated power plants within their territories.

RGGI allows regulated electric generating facilities to purchase allowances for each ton of CO₂ emissions and gives them the option to use their CO₂ emissions allowances to comply with RGGI annual limits, bank the allowances for future use, or trade them to other electric generation facilities participating in the program. During a three-year period, each state offers its allowances for sale in quarterly auctions, based on established emission budgets, to meet their CO₂ emissions targets. Over time, this regional cap or budget declines so that CO₂ emissions decrease in a planned and predictable way.

Since its inception, emissions from power plants in the RGGI states have declined by more than 50 percent — twice as fast as the nation as a whole — and the program has raised nearly \$6 billion for investment in local communities throughout the RGGI states.

As part of this effort, Virginia has received over \$650 million from the program in the last two years. Virginia has two major requirements for its participation in RGGI: 1) 50 percent of the money is required to be spent on energy efficiency programs in low-income communities, and 2) 45 percent is to be invested in communities that are adversely affected by flooding or sea-level rise. The loss of RGGI funding to this program would not only impact Fairfax County residents, but a total of 131,000 low-income residents across the state between now and 2030, according to a study published by Virginia Commonwealth University in January. In that study, researchers estimated that the loss of RGGI funding would mean those 131,000 low-income homeowners and renters in Virginia would not be able to save an average of \$540 per year on their utility bills and instead could pay up to an additional \$670 annually.

Here in Fairfax County, we have received more than \$15.4 million worth of benefits from the state's participation in this program. The largest share of RGGI funding went to Fairfax County's Department of Public Works and

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Environmental Services (DPWES) in addition to the \$7 million the County budgeted last year to address flood mitigation needs in the County. In other words, this RGGI funding has been of significant assistance to DPWES in meeting their flood mitigation and safety goals, which in turn supports the County's Resilient Fairfax goals. Leaving RGGI would jeopardize this critical funding to protect Fairfax County residents from flooding.

Furthermore, a small, but significant portion of these funds has been a valuable source of revenue for the County's Community Housing Partners program which works with low-income property owners to provide energy-saving home improvements to reduce energy costs. Beyond these benefits, Virginia's participation in RGGI aligns with our local emissions reduction goals for the future, as described in the Fairfax County Community-wide Energy and Climate Action Plan (CECAP).

The data shows RGGI is an impactful program that has helped our state and our County reduce flood risks, lower energy bills for low-income residents, and increase the quality of the air we breathe. For all these reasons, the Fairfax County Board of Supervisors urges you to end your efforts to remove Virginia from the RGGI program. RGGI has had a positive impact on Virginia's air quality through emissions reductions from electric generating facilities and has delivered millions of dollars in investments to protect our residents from the impacts of climate change. The Commonwealth should continue to participate in RGGI.

Thank you for your attention to this important issue. Please feel free to contact me if you have questions or need further information, or have your staff contact Claudia Arko, Legislative Director, at (703) 324-2647.

Sincerely,



Jeffrey C. McKay
Chairman, Fairfax County Board of Supervisors

cc: Members, Fairfax County Board of Supervisors
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