August 24, 2018

John Warren
Director, Virginia Department of Mines, Minerals and Energy
1100 Bank St., 8th Floor
Richmond, VA 23219

RE: Large Energy User Comments on 2018 Virginia Energy Plan Development

Dear Director Warren:

As leading businesses, universities, and healthcare institutions across Virginia, we encourage the Northam Administration to set a bold vision for clean energy in the 2018 Virginia Energy Plan. The 2018 Energy Plan provides a crucial opportunity to set a path toward embracing clean energy resources and putting Virginia on a path toward a thriving, low-carbon economic future. As large energy users with significant operations, employees, and customers in Virginia, we want to see a future where all Virginians can thrive. As such, we encourage you to prioritize the following recommendations:

1. Take ambitious action to reduce carbon emissions. Bold action to reduce carbon emissions is necessary to mitigate the worst impacts of climate change. We look forward to seeing the Administration finalize the proposed carbon regulations and encourage Governor Northam to lead Virginia on a path toward deep decarbonization.

2. Increase renewable energy deployment and access across the Commonwealth. Virginia to-date falls behind its neighbors—North Carolina, Maryland, and West Virginia—in the deployment of solar, wind, and non-woody biomass resources.[1] Smart policies to increase the deployment of and access to renewable energy resources will help Virginia keep electricity rates low, reduce emissions, and stay competitive in the 21st century economy. Virginia can generate additional low-cost clean energy resources through mechanisms such as a mandatory renewable portfolio standard, community solar, and a Request for Proposals (RFP) or target for offshore wind resources.

A key ingredient for increasing renewable energy deployment in the Commonwealth is to increase access and choice for large energy users such as businesses, hospitals, and universities to procure cost-competitive renewable energy. Corporate renewable energy procurement is a major driver of new renewable energy deployment across the country. To stay competitive, Virginia should offer a range of choices for large customers to access and procure renewables from both utility and non-

[1] According to 2017 Energy Information Administration (EIA) data, the net electric power generation of solar, wind, and non-woody biomass resources relative to total net generation (as a percent) in Maryland; West Virginia; North Carolina; and Virginia, respectively, was 3.76%, 2.22%, 5.03%, and 1.1%.

utility providers. Virginia should encourage utilities to offer flexible, cost-competitive renewable energy options such as green tariff programs, but should also allow customers to access non-utility power purchase agreements (PPAs) in order to keep Virginia's renewable energy market competitive and satisfy different customer preferences. Large energy users in Virginia should also be able to aggregate their load across the Commonwealth and procure less than 100 percent renewable energy if they so wish.

3. Better utilize energy efficiency opportunities. As large energy users, we are making major investments in energy efficiency because it helps us cut energy waste, save money, and quickly gain a return on our investments. Virginia falls well below the national average on energy efficiency program investments and energy savings.[2] Virginia can capture this missed potential by ensuring that the Grid Transformation and Security Act of 2018 fosters additional utility energy efficiency investments as intended. Virginia should also consider adopting energy efficiency policies that have proven successful across the country and are saving consumers money in other states. This includes adopting an ambitious, binding energy efficiency resource standard (EERS) and creating incentives for electric utilities to reduce energy waste through utility business model reforms such as revenue decoupling, program cost recovery, and performance-based incentives.

4. Embrace clean transportation options. With the transportation sector surpassing the electric power sector in greenhouse gas emissions, the urgency for encouraging and investing in low-carbon transportation solutions is essential. We encourage the Commonwealth to set a strong vision for the electrification of the transportation sector and to incorporate other strategies that maximize emissions reduction opportunities. This includes initiatives that spur the deployment of public and private electric vehicle (EV) charging infrastructure, the smart utilization of VW Settlement funding, and investment in robust pedestrian and cycling infrastructure as well as low-carbon public transit infrastructure—all of which will help Virginia meet the mobility needs of a thriving 21st century economy. We also encourage Virginia to lead by adopting the Advanced Clean Car program, already adopted by twelve states plus Washington D.C., to set important state targets for low-emission and zero-emission vehicle sales.

5. Become a leader in emerging clean energy technologies. Virginia can become a leader in clean energy technology and innovation by implementing strong directives, voluntary targets, tax incentives and more to encourage these new technologies to flourish. Untapped technologies such as energy storage allow the grid to absorb more renewable energy and improve grid reliability during storms and power outages—ensuring that businesses, healthcare, and higher education institutions can keep their doors open to meet the needs of the community. Smart grid technologies that provide customers access to their energy data and incentivize customers to curtail their energy usage during peak demand times can also help large energy users reduce their emissions and invest in low-cost energy solutions. Innovation in energy is essential to Virginia's competitiveness and can ensure that Commonwealth's electric grid is poised to meet the needs of the future.

Forward-looking policies, an increased commitment to emissions reductions, and a bold vision for Virginia's energy future will provide certainty for Virginia businesses and institutions committed to carbon reductions. Renewable energy, energy efficiency, clean transportation solutions, and a modernized grid are the way of the future. Embracing these opportunities through a strong vision in the 2018 Virginia Energy Plan will help ensure that Virginia's economy can thrive for years to come.

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[2] American Council for an Energy-Efficient Economy. Virginia Scorecard. https://database.aceee.org/state/virginia

We appreciate the opportunity to provide recommendations on the 2018 Virginia Energy Plan. Please feel free to reach out with any questions.

Sincerely,

Adobe Systems Incorporated
Bon Secours Richmond Health System
Emory & Henry College
JLL
Mars Incorporated
Nestlé USA
Salesforce.com, Inc.
Sweet Briar College
Unilever
Virginia Wesleyan University
Washington and Lee University
Worthen Industries

CC:
Governor Ralph S. Northam
Virginia State Corporation Commission
Brian Ball, Secretary of Commerce and Trade
Angela Navarro, Deputy Secretary of Commerce and Trade
Matt Strickler, Secretary of Natural Resources
Joshua Saks, Deputy Secretary of Natural Resources
David Paylor, Director, Virginia Department of Environmental Quality
Christopher Bast, Deputy Director, Virginia Department of Environmental Quality
Al Christopher, Director, Air Division, Department of Mines, Minerals and Energy