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ABOUT THIS BRIEFING BOOK

Virginia Conservation Network

The Voice of Conservation

Representing 125 environmental, preservation and community organizations active throughout the Commonwealth, Virginia Conservation Network (VCN) is the nonprofit, nonpartisan voice of conservation in Virginia.

The network sponsors educational conferences and workshops, including the annual Virginia Environmental Assembly and a Legislative Workshop prior to each session of the Virginia General Assembly.

VCN monitors state legislation relevant to the environment, keeping members and citizen activists informed through the VCN E-Newsletter, the website www.vcnva.org, and action alerts.



Workgroups

By networking together community-based groups and larger regional or national nonprofits, VCN brings both scientific expertise and community valThe mission of Virginia Conservation Network is to combine the voices of environmental organizations across Virginia to conserve our Commonwealth's natural resources and ensure its future prosperity.

ues to bear in solving some of the toughest questions facing the Commonwealth. Through a special partnership with the National Wildlife Federation, VCN also works on federal environmental policy issues that directly affect Virginians.

VCN workgroups are the cornerstone of the network's policy research and advocacy. The network's five workgroups—air and energy, water, land use and transportation, land conservation, and uranium mining—provide open forums for experts to discuss conservation issues. In addition, the VCN workgroups evaluate proposed legislation and identify policy solutions for the Commonwealth.

Through an open, deliberative process, these workgroups draft white papers, which are reviewed by VCN's legislative committee and board, then compiled in the annual Conservation Briefing Book.

A Common Agenda

The recommendations contained in this Briefing Book have been thoroughly vetted. Scientists, advocates and environmental educators throughout Virginia helped write and review its content.

The Briefing Book lays out a "common agenda" for conservationists. VCN and its affiliated nonprofits put that agenda into action by educating opinion leaders, by monitoring legislation and endorsing or opposing bills when appropriate, and by helping concerned citizens engage the legislative process.

Get Involved

VCN and the Virginia League of Conservation Voters Education Fund jointly administer the Legislative Contact Team (LCT) program, which mobilizes activists to serve as citizen lobbyists, promoting conservation issues to their state senator or delegate. To learn more or sign up, visit www.vcnva.org and click "get involved."

VIRGINIA'S CONSERVATION PRIORITIES

Clean Energy

As Virginia scales up energy efficiency and renewable energy, we protect consumers, create jobs and position the Commonwealth for future competitiveness.

Ensure that inclining rates send the appropriate price signal to electricity consumers Foster Virginia's renewable energy industry through aggregated net metering, a reformed renewable portfolio standard and improved financing mechanisms End subsidies for mountaintop removal coal mining

Protect Virginia's tourism and fishing industries from the risks of offshore oil drilling

Green Communities

In order to have thriving communities, Virginia must contain infrastructure costs through better land use, provide transportation choices, and protect natural and historic gems.

- Reform the Public Private Transportation Act to guarantee public benefits and better protect taxpayers; do not allow private companies to tap into general fund revenue streams via the PPTA
- Prioritize public investment in rail and mass transit, maintaining or expanding the role of the Rail Advisory Board.
- Complement the state's model Land Preservation Tax Credit with greater funding for local Purchase of Development rights programs, the Virginia Land Conservation Foundation, and Virginia Civil War Sites Preservation Fund.

Healthy Rivers

Virginia has an unprecedented opportunity to restore it's Chesapeake Bay rivers and should signal its resolve with adequate funding and enforcement for the new 15-year watershed implementation plan.

- Fully fund agricultural best management (BMP) cost-share and technical assistance to meet demand, which the Department of Conservation and Recreation has estimated at \$40 million annually
- Maintain pollution caps on wastewater treatment plants and insist on upgrading aging plants to best available technology
- Protect local streams from polluted runoff by pressing ahead with improved stormwater regulations that allow wider use of cost-effective green infrastructure

Each January, hundreds of concerned Virginians also take part in Conservation Lobby Day. They hear from lawmakers and environmental experts before meeting with legislators to express support for conservation priorities. Sponsored by VCN and the Garden Club of Virginia, the 2011 Conservation Lobby Day takes place on January 17. Visit *www.vcnva.org* for details and registration.

CONTACT

Virginia Conservation Network 422 East Franklin St., Ste. 303 Richmond, VA 23219 804.644.0283 www.vcnva.org





CLEAN ENERGY

Powering Virginia's Future

SOLAR ENERGY

Statement of Issue

Virginia's energy future is at a crossroads. Despite having some of the highest solar potential in the mid Atlantic, currently less than one percent of Virginia's electricity comes from solar energy. According to a study by Virginia Tech in 2005, with ambitious investments in solar energy Virginia could meet 16-19 percent of its annual electrical demand with photovoltaic power. Virginia should move forward setting ambitious but achievable goals that will make solar power—in all its forms, including small and large solar photovoltaic systems and solar hot water technologies—a significant portion of Virginia's energy economy. With the right policies in place, Virginia could install 2,000 MW of solar photovoltaic capacity by 2030, powering 50,000 homes and businesses.

The central challenge that has prevented solar power from becoming a more substantial component of Virginia's energy economy is the upfront investment coupled with a lack of understanding of the long-term benefits of solar. These initial investments, while providing full payback over time (at higher rates than most traditional investments like stocks, bonds, money market accounts, etc.), are nonetheless challenging enough to keep initial demand for solar relatively soft. However, targeted incentives, rebates and tax credits have proven to be effective in multiple states in stimulating high-volume solar installments at very attractive payback rates.

Background

Virginia cannot afford to wait for solar to compete by itself with incumbent, nonrenewable sources of electricity (coal, nuclear, natural gas), which themselves have an artificially low cost due to past public subsidies. To do so would keep Virginia behind our neighboring states in the race for tomorrow's energy. Many states have implemented aggressive solar programs and are drawing solar jobs and businesses away from Virginia. Pennsylvania, North Carolina, Tennessee, Maryland and DC all have in place stronger solar incentives that lower costs, create jobs and draw in new business.

Rebate programs, tax credits and grants are proven mechanisms that increase solar investments by home and business owners. North Carolina, has enacted a 35 percent tax credit for both commercial and residential solar, in addition to other rebate programs and incentives and a mandatory RPS. Shortly after, Duke Energy made investments to generate 16 megawatts of power, enough for over 2600 homes.

According to a study by Virginia Tech Virginia could meet 16-19 percent of electricity demand with photovoltaic power.

Further north, Maine has established a voluntary funded grant program where ratepayers can voluntarily make contributions monthly by checking a box on their utility bill. It's simple, successful and costs the state government next to nothing.

Here in Virginia, we have seen the popularity of solar systems when rebates and incentives are available to address the initial cost. Currently, solar hotwater systems qualify for a 30 percent federal tax credit that has reduced the average system cost by \$2,400. On average, a solar hot water installation will replace 80 percent of the gas or electricity needed to head water with *free energy*, which equals a 20–25 percent reduction in household utility bills. Further indication of solar energy's viability was proven last year when the federal government granted money to the Commonwealth to fund a solar rebate program for investment in residential and commercial installations. These programs were widely popular, and all of the funding was fully distributed through the Department of Mines, Minerals and Energy (DMME).

SOLAR ENERGY RECOMMENDATIONS

In the long term the Virginia General Assembly needs to:

- Establish a mandatory renewable portfolio standard to recognize the solar industry's benefits and reward both citizens and businesses making investments in solar.
- Establish a continued funding stream in the form of a revolving loan fund, grant program, rebates, or tax credits to for solar development and installations on commercial and residential homes.

In the short term it is important for the General Assembly to:

- Augment the state's existing "voluntary" renewable energy standard with a specific, additive target for solar investments.
- Authorize the State Corporation Commission to consider external costs of fuel sources, such as health and environmental impacts, to level the playing field for renewable fuel sources like solar.
- Similarly, authorize the State Corporation Commission to consider the benefits to consumers from the price stability that renewable forms of energy provide.
- Authorize the Virginia Resources Authority to provide funding for solar projects including municipal buildings and schools.

To take advantage of these emerging resources, Virginia needs to develop a viable solar industry comprised, at a minimum, of experienced installation companies and a trained work force. This will not occur without incentives competitive with those in neighboring states.

Across the board, stakeholders in the solar industry have acknowledged that they are eager to develop in states that incentivize solar energy and have a mandatory renewable portfolio standard. In the absence of a mandatory renewable portfolio standard Virginia must develop aggressive incentives, tax credits, rebates and grant programs to attract these investors and entrepreneurs. With these programs and incentives in place Virginia's solar industry will have the ability to expand and create jobs.

SOLAR ENERGY CONTACTS

Lauren Glickman Chesapeake Climate Action Network 804.335.0915 lauren@chesapeake climate.org J.R. Tolbert Sierra Club 804.225.9113 xtn. 112 jr.tolbert@sierra club.org

FARM AND COMMUNITY NET METERING

Statement of the Issue

"Net metering" is shorthand for a legislatively imposed policy requiring utilities to offer an electricity purchase program to customers who have their own (usually renewable) generating facility. In simple terms, when a generating facility produces more power than the customer is using, their meter will run backwards because they are putting power into the electric grid rather than removing it.

Background

Under both federal and Virginia law, a distribution utility must permit a customer generator to inter-

An agricultural and community **net** metering bill would allow a family farm with multiple meters to aggregate those meters and provide power **back t**o the grid.

connect with the local utility and the utility must purchase excess power generated by the customer. HB 441 was introduced in the 2010 legislative session by Delegate David Toscano. The bill sought to extend net metering from individual customers to eligible community customers and agricultural net metering facilities, neither exceeding two megawatts. To qualify as agricultural net metering facilities, the renewable generating facility must have been operated as a part of an agricultural business and have been on land owned or controlled by the agricultural business.

HB 441 would have permitted multiple meters and multiple sites to aggregate their usage as part of

NET METERING CONTACTS

Dan Holmes Piedmont Environmental Council 571.213.4250 dholmes@pecva.org J.R. Tolbert Sierra Club 804.225.9113 xtn. 112 jr.tolbert@sierra club.org



the net metering agricultural facility. For example, this could allow a farm with an ideal location for a solar array to be connected to neighboring farms that lack access to adequate solar exposure and the group would be tied together for net metering purposes. The bill also made eligible a community customer acting on behalf of a group of customers to operate a renewable generating facility that would combine their meters to take advantage of a renewable facility. Simply put, community net metering would allow neighbors to join together and share both the cost and benefits of a small renewable energy facility. Current law would not permit a facility to be connected across property lines.

NET METERING RECOMMENDATIONS

Some energy providers operating in the Commonwealth have resisted expansion of the net metering provision, questioning the benefit to the grid and citing the cost of interconnection and use of their transmission/distribution network. In response to concern from the utilities, conservationists have agreed to agricultural and community net metering bill that would allow for a more gradual transition to community scale net metering while accomplishing the agricultural portion upfront. The proposed bill would allow for a single farm with multiple meters to aggregate those meters and provide power back to the grid. Community based projects (those with multiple owners) would be placed into a pilot program that would provide study findings at the end of the pilot. It is anticipated that anywhere from three to five pilot projects would be sought.

OFFSHORE WIND ENERGY

Statement of the Issue

The United States is one of the largest consumers of energy in the world. According to the U.S. Department of Energy, 83 percent of energy used during 2009 came from fossil fuels. According to the Virginia Energy Plan, Virginians rely on fossil fuels for 60 percent of our electricity and 75 percent of total residential energy use. In the transportation sector, reliance on fossil fuels jumps to 97 Percent.



Offshore wind is one of the best ways for us to move away from fossil fuels. According to the National Renewable Energy Laboratory, Virginia's total offshore wind resource exceeds our entire energy demand. In the near term, wind power off of our coast can provide up to 10 percent of our energy needs, according to a recent study by the Virginia Coastal Energy Research Consortium (VCERC). We have the resources, but now we need the action of our government officials to make it a reality. The Cape Wind project off the coast of Massachusetts took 10 years to permit and will take another two to construct. Meanwhile, Europe has been operating offshore wind farms for almost two decades and China recently brought their first project online. The US is falling behind; but projects off Virginia's coast could easily make our country a leader in offshore wind.

Background

Virginia should move now to capitalize on the significant potential for offshore wind energy. The latest study from VCERC shows there is over 3,000 megawatts of offshore wind capacity in shallow waters in less than 30 meters in depth. VCERC studied an area about the size of Virginia Beach located twelve miles off the coast. Additionally, Trans-elect, with financing from Google, is developing an offshore backbone transmission line that would run from Virginia to New Jersey under the ocean seabed connecting offshore wind farms along the coastline to the power grid. In the future, improvements in technology and the development of deepwater turbine foundations will further increase the available supply of energy from offshore wind.

Not only is offshore wind abundant, it is competitive. VCERC concludes that offshore wind costs are equal to or better than new nuclear or coal-fired generation. Furthermore, unlike fossil fuel sources, offshore wind operating costs are not subject to fluctuations in fuel prices or to likely increases in compliance costs due to pollution, as will likely result from future carbon restrictions and/or tighter controls on conventional pollutants.

Finally, by investing in offshore wind, Virginia stands to see economic gains in the form of new jobs from manufacturing and installing wind turbines, which are costly to transport. VCERC estimates that a "phase one" development of 500 to 600 mega-watts off Hampton Roads would create over 1,000 high-skill jobs. The ship-building trades already based in Hampton Roads, coupled with the region's

OFFSHORE WIND CONTACTS

- Chelsea Harnish Chesapeake Climate Action Network 804.767.8983 chelsea@chesapeake climate.org
- J.R. Tolbert Sierra Club 804-225-9113 xtn. 112 jr.tolbert@sierra club.org

OFFSHORE WIND RECOMMENDATIONS

The General Assembly should enact legislation that establishes a mandatory renewable portfolio standard. A firm policy commitment to an objective of 35 percent renewable electricity use by 2050 would be more effective that the current "triple credit" for offshore wind in Virginia's voluntary RPS.

Important incremental steps to advance offshore wind include:

- Continue funding the Virginia Coastal Energy Research Consortium to investigate the state's coastal and offshore renewable resources potential and to assist regulators, private sector investors, local governments and the Department of Defense.
- Augment the state's existing RPS with a specific, additive target for offshore wind energy.
- Authorize the State Corporation Commission to consider external costs of fuel sources, such as health and environmental impacts, to level the playing field for alternative fuel sources.
- Similarly, authorize the State Corporation Commission to consider the benefits to consumers from the price stability that renewable forms of energy provide.

port infrastructure, make it an attractive location to base wind-energy manufacturing to serve the Eastern Seaboard. In October 2010, Northrop Grumman announced a partnership with Spanish firm, Gamesa, one of the world's largest wind turbine manufacturers, to design and develop the next generation of wind turbines. This project will create 44 engineering positions in Hampton Roads.

In 2010, The Virginia Offshore Wind Development Authority was created by the General Assembly to assist development of an offshore wind industry in Virginia. While this move is a step in the right direction, Virginia needs to do more to show we are serious about developing offshore wind.

Currently Virginia has only a relatively weak, voluntary renewable energy goal of 15 percent of non-nuclear electric generation by 2025, which translates into about 10 percent of total electric generation by that date. With offshore wind eligible for triple credit, the goal could actually be satisfied with less than five percent of our total electricity coming from renewables. This is one of the weakest renewable energy targets in the nation, and falls far short of what Virginia can attain. As a result, manufacturers and installers of renewable energy are less confident locating businesses in the state.

The good news is that there is strong support for offshore wind in Virginia. Virginia Beach and other

Hampton Roads communities support the development of offshore wind projects and two developers have submitted applications to the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) to lease waters off Virginia's coast, with more developers expressing interest as well.

RENEWABLE PORTFOLIO STANDARDS

Statement of the Issue

Currently, Virginia meets its electricity demands through a mix of dirty, polluting energy. With 57 percent of our electricity coming from coal, oil and natural gas and an additional 38 percent being generated from nuclear power the Commonwealth is beholden to fossil fuels. This staggering reliance on fossil energy exacerbates global warming, undermining our national security and holds our economy hostage to commodities beyond our control.

The over consumption of energy poses serious risks to Virginia's communities and environment, from rising seas in Hampton Roads to mountaintop removal coal mining in Southwest Virginia. Our addiction to fossil fuels is an unsustainable path.

The good news is that we have the capacity in Virginia to move in a new direction. By aggressively improving energy efficiency and tapping our capacity for renewable energy we can move toward a future powered by clean renewable energy. Investing in renewable electricity now is all the more important if automobiles and mass transit are to migrate onto the grid (and off foreign oil) in the foreseeable future.

One of the most important steps Virginia can take to move beyond fossil fuels is to aggressively promote the use of renewable energy. Our current renewable portfolio standard (RPS) is insufficient to moving Virginia forward on clean energy.

Background

Virginia needs to consume less energy and generate more energy from renewable sources. In order to meet our future energy needs without causing environmental harm and health problems for our citizens, we must act quickly.

All energy production has environmental consequences, and renewable energy facilities should be subject to environmental impact assessments consistent with other types of infrastructure and subject to scientific monitoring post construction. Virginia can develop renewable energy responsibly.

Virginia should move now to capitalize on significant potential for offshore wind energy, solar power and energy efficiency. In addition to these already available technologies, the state should act to bolster research and development in the areas of sustainable biomass, tidal power and geothermal technology. According to the Virginia Energy Plan, the state's maximum feasible capacity of renewable energy technologies is 41,840 to 43,840 MW. Offshore wind accounts for the vast majority at 28,100 MW and solar photovoltaic follows at 11,000 to 13,000 MW.

Currently Virginia has only a relatively weak, voluntary renewable energy goal of 15 percent of non-nuclear electric generation by 2022, which translates into about 10 percent of total electric generation by that date. This is one of the weakest renewable energy targets in the nation, and falls far

Virginia's current RPS does not cover rural electric cooperatives, municipal facilities, and combined heat-andpower facilities.

short of what Virginia can attain. As a result, manufacturers and installers of renewable energy are less confident locating businesses in the state, and those renewable energy generators that do may find the power they generate undervalued in the market for Renewable Energy Certificates (RECs).

Strengthening Virginia's RPS

The problems associated with the current RPS are numerous. In addition to the voluntary status of the standard there are other issues which should be addressed by the Virginia General Assembly in order to level the playing field for renewable energy.

• Unfortunately, the RPS addresses only electricity sold by investor-owned utilities, it does not cover rural electric cooperatives, municipal facilities, and combined heat-and-power or thermal energy facilities which, if run on renewable fuel sources, would displace even more fossil fuels from the en-



RPS REFORM RECOMMENDATIONS

The Virginia Conservation Network continues to advocate for a mandatory renewable portfolio standard for Virginia. This is the most effective solution to insuring additional renewable energy creation within the Commonwealth. Short of this goal, the General Assembly should enact legislation that accomplishes the following things:

- Repeal the double credit for solar and onshore winds, as well as the triple credit for offshore wind to ensure that a 15 percent goal if met produces 15 percent of Virginia's energy from renewable sources.
- Extend the voluntary renewable portfolio standard to electric cooperatives, municipal facilities and combined heat and power facilities.
- Ensure that renewable energy created in Virginia remains in Virginia by requiring utilities to seek instate Renewable Energy Certificates prior to purchasing RECs from out-of-state.

ergy mix. These operations currently account for one-fifth of the electricity generated in Virginia.

- The current RPS standard plays favorites among renewable energy sources by giving double and triple credit to certain sources of renewable energy. While proponents of the double and triple credit argue that this attracts investment into the Commonwealth for these technologies the argument does not hold true. First, by offering double credit for solar and onshore wind and triple credit for offshore wind, the state is undervaluing the overall RPS by making it easier to attain. Without a corresponding increase in the RPS goal the amount of renewables needed to meet the goal is very low, 5 percent in the case of offshore wind. Furthermore, the double and triple credits create a level of uncertainty for prospective renewable energy investors.
- The current RPS includes "performance incentives" for investor-owned utilities who comply with the standard that allow the utility to charge ratepayers above and beyond a fair rate of return with no new investment in actual renewable energy generation. This particular inclusion allows the utility to charge the ratepayer a higher rate without any additional renewable energy being added to Virginia's electricity use.
- By making the RPS voluntary, an investorowned utility has little incentive to expend the extra money to create or invest in renewable facilities. The capital outlay negates the

Under Virginia's voluntary RPS an investor-owned utility has little incentive to invest in new in-state renewable facilities. The capital outlay negates the "reasonable" and "prudent" definitions which allow them to recover the expense.

"reasonable" and "prudent" definitions which allow them to adjust the rate upwards to cover the expense. This discourages actual capital investment and, instead, encourages the purchase of out-of-state Renewable Energy Certificates (RECs). Utilities may utilize RECs to meet the RPS goal without having to petition the SCC for the recovery of capital costs.

RPS REFORM CONTACTS

Nathan Lott Virginia Conservation Network 804.644.0283 nathan@vcnva.org

J.R. Tolbert Sierra Club 804-225-9113 xtn. 112 jr.tolbert@sierra club.org

EXTERNALITIES AND ENERGY PLANNING

Statement of the Issue

Although electricity provides well-known benefits, the generation of electricity often has significant adverse effects that are not reflected in its market price. These effects, usually on human health and the environment, are considered "hidden costs" or "externalities." Externalities are real costs that are borne by members of the public rather than by the generator or consumer of the electricity. Under current practice, regulators do not even consider these very real costs when evaluating utilities' plans for meeting demand. As a result, generation resources like fossil fuels that offer low costs to the utility but high costs to society in the form of externalities, tend to be favored over resources like renewable energy that may cost more for the utility but have a lower total cost once the externalities are considered. This distorts the results of Integrated Resource Plans (IRPs) and causes them to fail at meeting their core requirement "to promote reasonable prices and environmental responsibility." 1

Background

Following reregulation of the electric utility industry in Virginia, legislation was introduced to require utilities to submit an IRP that forecasts their load obligations for the ensuing 15 years and how they plan to meet those obligations. They are required to update their plan every two years and submit it to the State Corporation Commission (SCC) for approval. Virginia utilities submitted their first plans in the third quarter of 2009 and are scheduled to update them in 2011.

Following introduction of demand side management incentives for Virginia's utilities, the legislature updated the code to require utilities to include

¹⁻Virginia Code, §56-598, ²⁻ http://depsc.delaware.gov/orders/7628.pdf demand side resources in their IRPs. Now that the legislature has introduced renewable resource incentives for Virginia's utilities, the legislature should also update the code to require they be analyzed on a level playing field with all fuel resources by including externalities in the IRPs. This requirement is modeled on a comparable directive of the Delaware Public Service Commission, Order 7628.²



Dominion Virginia Power's IRP analyzed four alternate scenarios: a Base Plan, a No New Nuclear Plan, an Environmental Impact Plan and a Renewable Plan. For each scenario, Dominion calculated its Net Present Value (NPV) and compared them. They did not, however, include any externalities in

EXTERNALITIES CONTACTS

Steven Bruckner Sierra Club 703.883.3622 sbruckner@cox.net J.R. Tolbert Sierra Club 804.225.9113 xtn. 112 jr.tolbert@sierra club.org

EXTERNALITIES RECOMMENDATIONS

The legislature should modify the Code of Virginia to explicitly require utilities to incorporate externalities in their IRP analyses. Doing so will level the playing field and enable the IRP to meet its core requirement "to promote reasonable prices and environmental responsibility."

their NPV analysis. (*Note:* Their model included some environmental regulatory costs that its consultants forecasted would be required within the fifteen year period. These costs, however, are not externalities, by definition, because they will be reflected in market prices.) The scenarios with large negative externalities show up as cheaper and more desirable than they in fact are. Environmentally responsible resources that not only have no negative externalities, but also have positive externalities, are unfairly disadvantaged. This fails to satisfy two of the core requirements of the IRP to "promote reasonable prices and environmental responsibility."

How large are the externalities? To answer this question, Congress requested the National Academies "to define and evaluate key energy externalities not included in pricing or not fully addressed by government policies." They published a report in 2010, *Hidden Costs of Energy—Unpriced Consequences of Energy Production and Use*,¹ which determined the impact of air pollution emissions for each type of generation. The vast majority of damages were health damages, with premature mortality being the single largest health-damage category.

The average non-climate damages for coalgenerated electricity is 3.2 cents per kilowatt-hour. (*Note:* this is an average because newer coal-fired plants generate lower damages than older plants that lack pollution control equipment.) This is equal to one-third the cost of electricity in Virginia. The National Academies also developed a range of estimates for climate-related damages due to greenhouse-gas emissions.

The American Lung Association of Virginia reports that more than half of Virginia's jurisdictions earned a failing grade for ozone, and three of our largest jurisdictions earned a failing grade for particle pollution. This results in 2.3 percent of children and 6.9 percent of adults in Virginia who suffer from asthma. The impact is indeed widespread.

Externalities should be monetized, wherever possible, but otherwise described qualitatively. It is anticipated that the formulas used to monetize damages in the National Academy's report could be adapted for use in the IRP analyses.

INCLINING BLOCK RATES

Statement of the Issue

Virginians consume excessive amounts of electricity, as shown by Energy Information Agency reports for 2008, which ranked Virginia seventh highest among all states for per capita residential electricity consumption. When this high consumption is multiplied by our relatively low electricity prices, ranked 32nd highest, our monthly electricity bills end up ranking 14th highest in the nation.² Even a regional comparison among South Atlantic states, shows that only South Carolina has higher per capita consumption than Virginia. We Virginians therefore lose much of the benefit of our low electricity prices because we consume as much electricity as we do.

Our high and growing demand for electricity, if unchecked, will require utilities to build more generation plants. The cost of electricity from these new plants is higher than prices from older plants because inflation and resource competition drive up construction and operating costs. Each new plant raises the average price of electricity for everyone served by that utility.

¹.http://www.nap.edu/catalog.php?record_id=12794

².http://www.eia.doe.gov/cneaf/electricity/esr/table5.html

Virginia ranks 7th highest among all states for per capita residential electricity consumption ... among South Atlantic states, only South Carolina has higher per capita energy consumption than Virginia.

Efficiency investments, cost one-third the price of producing more electricity. It is in the public interest to reduce electricity consumption so fewer power plants have to be built. The cheapest plant is the one you do not have to build because demand no longer requires it.

The Virginia legislature demonstrated its support for reducing electricity consumption by passing laws over the last few years requiring utilities to offer efficiency programs to their customers, such as heat pump tune-ups and upgrades, that reduce consumption.

Unfortunately, residential customers, especially high-consuming ones, lack sufficient economic incentives to reduce consumption by pursuing energy efficiency upgrades. The legislature should require, and the State Corporation Commission and utilities should develop and introduce an appropriate pricing strategy that incentivizes residential customers to reduce consumption. Inclining block rates, in which customers pay more per kWh, the more electricity they use, is such a pricing strategy. An example of an inclining block rate with two blocks is one that charges \$0.06 per kWh below 800 kWh in a given month and \$0.08 per kWh above 800 kWh. Electricity in this example costs 1/3 more for the higher block.

Background

Current residential electricity prices do not incentivize customers to reduce consumption. Dominion Virginia Power uses a "declining block rate" price structure eight months of the year which actually incentivizes customers to use more electricity. (*Note:* Dominion Virginia Power uses an *inclining block rate* during summer months, where the price difference between the two blocks is about half as steep as the *declining block rate.*) During these months, customers pay less per kWh the more electricity they use. The other utilities in Virginia use "flat rates" year around, so customers pay the same per kWh, regardless how much electricity they use. This structure sends no price signal at all—either to increase or decrease consumption.

Declining block rates not only incentivize more consumption, they also cause low-income households to subsidize high-income households. Electricity consumption is proportional to household income.¹ Thus the higher consumption found in highincome households is disproportionally paid for by low-income households which tend to consume less.

Flat rates could incentivize customers to use less electricity by increasing the price per kWh across the board. However, utilities are regulated to achieve a specified profit margin, so any new pricing strategy must be revenue neutral to the utility. Raising prices across the board could not be revenue-neutral.

Inclining block rates is a pricing structure that can not only be revenue neutral to utilities, but can also incentivize high-use consumers to reduce their consumption and keep bills affordable for lowincome users. A well-designed inclining block rate tariff will reduce bills for low-use consumers, keep bills unchanged for average-use consumers and increase bills for high-use consumers.

Benefits of inclining block rates include:

- Helping keep rates affordable for low-income customers, who tend to consume the least electricity.
- Helping shield fixed-income customers from rate increases.
- Motivating high-use consumers, who have higher incomes and access to credit, to respond to higher bills by making efficiency investments.
- Motivating customers to take advantage of their utility's efficiency programs.
- Accelerating the payback period on efficiency investments for all customers because the resulting

BLOCK RATES CONTACTS

Steven Bruckner Sierra Club 703.883.3622 sbruckner@cox.net Glen Besa Sierra Club 804.225.9113 x104 glen.besa@ sierraclub.org

^{1.} http://www.eia.doe.gov/emeu/recs/recs2005/c&e/summary/pdf/tableus1part2.pdf

BLOCK RATES RECOMMENDATIONS

The Virginia legislature should direct the SCC to have utilities design and introduce an inclining block rate tariff as the standard residential rate tariff for all Virginia utilities. This tariff will send a price signal, especially to high-use residential customers, to reduce their consumption. The tariff should have at least three blocks and the total revenue covered by the inclining block rate should be increased by lowering the basic customer charge and incorporating all flat rate riders. (Currently, flat rate riders for the construction costs of new power plants, such as Virginia Hybrid Energy Center, are added to residential customer rates.) It should be revenue neutral to the utility.

Aspects of this proposal were introduced to Virginia legislature in 2009 with HB 2000 (Vanderhye, Hugo, Petersen) and in 2010 with HB1358 (Keam). Neither bill received a floor vote.

savings always come from a customer's highestcost rate block.

It is essential that inclining block rates be the default rate for all residential customers. Otherwise it would only be selected by customers whose bills would be reduced and it would thereby fail to be revenue neutral. An inclining block rate tariff is the simplest, quickest and least expensive way for utilities to reduce consumption. It doesn't require advanced technology such as smart meters and has very little in the way of administrative or overhead costs. To be successful, the utility would have to educate customers on the new rate structure via bill stuffers and web site information. Use of inclining block rates in other states and high level economic modeling demonstrate that a properly structured and promoted inclining block rate results in a consumption reduction range of 1 percent to 6 percent.¹

The Virginia State Corporation Commission recognized the potential usefulness of inclining block rates to promote conservation as early as 1992, and in March, 2010, ordered Dominion Virginia Power to submit both an inclining block rate and a flat rate tariff proposal for residential customers in March, 2011.

Inclining block rates have been in use elsewhere for many years, with good results. An inclining block rate structure was encouraged by the Federal government in 1978.² In the last decade it has been adopted by state utility commissions around the country. For example, Florida, New Hampshire, Colorado and California, all users of significantly less electricity (and total energy) per capita than Virginia, have in-



clining block rate schedules for all investor-owned utilities (except for one in Florida). More than a dozen utilities around the country have at least two -tier inclining block rates all year round, and at least nine other utilities have at least a three-tier inclining block rates all year round. According to a recent survey by B. C. Hydro of 61 U. S. utilities about one-third had inclining block rates, and B. C. Hydro itself adopted this structure in 2008.

If and when Virginia introduces "dynamic pricing," wherein the price of electricity changes during the day and requires smart meters, it would be compatible with inclining block rates.

CLEAN AIR ACT PERMITTING

Statement of the Issue

Title V ("Five") of the federal Clean Air Act establishes a requirement for each major industrial polluter—large coal-burning utility boilers, power plants, refineries, manufacturing facilities—to obtain an operating permit that assures compliance with all applicable Clean Air Act requirements. By consolidating a facility's obligations in one comprehensive permit, Title V plays an essential role in limiting the amount of harmful pollutants released into the air.



Virginia's worst polluters are now attempting to eviscerate our Title V program under the guise of regulatory "reform." It is critical that citizens stand up to defend a fair and open Title V process that protects our environment, keeps citizens informed, and provides Virginia's communities with the opportunity to be heard.

Background

Title V was enacted by Congress in 1990 as a way to consolidate various air permitting requirements into

a single, day-to-day operating permit. In Virginia, the Title V program is administered by the Department of Environmental Quality (DEQ).

According to EPA, the Title V program is "designed to improve compliance by clarifying what facilities (sources) must do to control air pollution." EPA has explained that two, core goals are to "provide an opportunity for citizens to be involved in the permit review process" and "improve compliance with emissions control requirements."

Permitting fees from the Title V program are necessary to fund DEQ's air quality programs, including monitoring and enforcement efforts. Under federal law, fees must be sufficient not just to issue Title V permits, but also to inspect facilities and enforce violations.

Congress specified that Title V fees must be charged on a per-pollutant basis, "of an amount not less than \$25 per ton of each regulated pollutant" or such other amount as needed to fully fund the program. (Over the last twenty years, Virginia's fee has been adjusted for inflation and is now at \$44.17 per ton, with "billable" emissions capped at 4,000 tons per year, per pollutant.)

The value of this statutorily-created permitting scheme is clear: the less pollution a company emits, the less it pays in fees. This aligns the industry's interest with that of downwind communities impacted by pollution. Both benefit from reductions in emissions.

A funding crisis in Virginia

In recent years, Virginia's Title V program has been losing revenue. The DEQ lacks the funds it needs to protect the environment and public health. If funding for the state air program does not improve, Virginia risks losing the authority to administer the program. EPA would be obligated under the Clean Air Act to take over if the state's efforts are underfunded or fails to meet other critical requirements.

To keep this essential program up and running, changes must be made to the Title V fee structure. The polluters, however, are holding any fee struc-

CLEAN AIR ACT CONTACTS

| Cale Jaffe | |
|-------------------|---|
| Southern Environ- | 5 |
| mental Law Center | |
| 434.977.4090 | 4 |
| cjaffe@selcva.org | f |

Frank Rambo Southern Environmental Law Center 434.977.4090 frambo@selcva.org

CLEAN AIR ACT RECOMMENDATIONS

We need changes in the Title V fee structure to keep Virginia's program solvent. There are a number of reasonable ways this can be done. Most of the changes envisioned would retain the "dollar-per-ton of regulated pollutant" mechanism (and the incentive that provides for reducing emissions) that is codified in the Clean Air Act.

We must defend the existing Title V permitting process, with its goals of keeping the public informed while protecting the environment and public health.

The Title V program must retain full and fair opportunities for public involvement and must guarantee that critical permitting decisions are made by state regulators, not by private "third-party contractors."

The scope of this necessary legislation should be limited to program funding. Fee structure revisions cannot be hijacked by efforts to gut the program.

ture revision hostage by attempting to link it to a wholesale gutting of the program.

In comments submitted to the DEQ, the Virginia Manufacturers Association has demanded: "A 'fast track' permitting process ... where companies may elect to pay a premium in order to get expedited"; 'Ditto' permitting"; and "The use of outsourcing services to third-party contractors" instead of having the analysis done by DEQ staff.

These so-called "reforms" threaten to undermine the entire program. If successful, they could result in Virginia losing authority over its air program and EPA asserting control.

OFFSHORE DRILLING

Statement of the Issue

Virginia could potentially be the first state on the Atlantic coast, and the first new location in 30 years, to see offshore drilling off its coast. Yet our coastline and waterways provide the economic lifeblood for numerous tourism and fishing communities and military operations, generating billions of dollars and supporting millions of jobs. The risk to Virginia's coastal economy from offshore drilling is devastatingly apparent in the aftermath of the Deepwater Horizon Gulf disaster, the worst oil spill in U.S. history. Just one spill could replicate the Gulf disaster here, spreading oil to our coastline and into the Chesapeake Bay, with devastating consequences for the environment and the economy.

Background

In 1981, Congress adopted the Outer Continental Shelf (OCS) Moratorium, preventing the leasing of America's coastal waters for fossil fuel development. In response to the Exxon Valdez disaster, the worst oil spill in U.S. history at that time, former President George H.W. Bush implemented a moratorium on offshore drilling, which lasted for almost 30 years. In 2008, President George W. Bush lifted the executive ban while Congress allowed the federal moratorium to expire, allowing for new drilling lease sales and the leasing of public lands to private companies for the exploration and production of natural resources.

Later in 2008, the Bush Administration pushed forward with Virginia Lease Sale 220, as part of the 2007-2012 Five-Year Plan under the Outer Continental Shelf Land Act (OCSLA), which was later confirmed by the Obama Administration in March 2010. After the Deepwater Horizon disaster, this lease sale was canceled.

OFFSHORE DRILLING RECOMMENDATIONS

The state should establish a moratorium on offshore oil and gas exploration and drilling to protect Virginia coasts from the potential dangers of these activities.

The administration and the General Assembly should oppose any legislation seeking to open more areas for exploration and drilling beyond the current 50-mile buffer zone.

Currently, the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE), formerly known as the Minerals Management Service, is developing the five-year plan for 2012–2017, which will more than likely include a new version of Virginia Lease Sale 220.

In 2010, Virginia passed a law requiring that 80 percent of offshore drilling revenues and royalties paid to the Commonwealth be spent on transportation. Under current federal law, all revenues and royalties from offshore drilling would go directly to the federal government with no revenue sharing in place for Atlantic Coast states. Gulf Coast states do receive a portion of these funds, but Congress has rejected proposals for revenue sharing with Atlantic Coast states. This is unlikely to change in the foreseeable future.

The Risk to Virginia's coastal economy

Virginia's tourism industry employs 210,620 people and brought in over \$19 billion in revenue in 2008 (including \$1.28 billion in state and local tax revenue). Were an oil spill to hit our beaches, it would have major economic repercussions.

Current drilling projects in the Gulf of Mexico have destroyed more wetlands than exist between New Jersey and Maine. Coastal wetlands absorb storm energy, thereby reducing hurricane costs. They also provide habitats supporting diverse wildlife and aquatic life that in turn supports valuable game and commercial fisheries. Offshore drilling, including exploration for natural gas, results in an average of 180,000 gallons per well of waste mud containing toxic metals such as mercury, arsenic and lead dumped into surrounding waters every day. Waves and tides would most likely carry these pollutants to coastal areas, including those already under stress, like the Chesapeake Bay.

In 2005, Virginia's fishing industry generated \$1.23 billion in output sales, \$717.4 million in valueThe Deepwater Horizon disaster on the Gulf Coast caused \$11.6 million in damages to Virginia's shell-fishing industry, even though no oil touched our shores.

added income, and more than 13,000 jobs. The Deepwater Horizon disaster on the Gulf Coast caused \$11.6 million in damages to Virginia's shellfishing industry, even though no oil touched our shores. Imagine what the cost to that industry alone would be if an oil spill were to happen right off our coast.

Virginia is likely to witness powerful hurricanes over the coming decades, threatening the integrity of any offshore drilling infrastructure and increasing the risk of spills. While Virginia is not prone to the same scale of hurricanes as the Gulf Coast, the U.S. Coast Guard reported that during Hurricanes Katrina and Rita, roughly 9 million gallons of oil were spilled. BOEMRE reported that as a result of Hurricanes Katrina and Rita, 113 oil platforms were destroyed and 457 pipelines were damaged.

Finally, the U.S. Navy and NASA maintain their opposition to drilling off Virginia's coast. To protect and defend our nation, the Navy must have unfet-

OFFSHORE DRILLING CONTACT

Chelsea Harnish Chesapeake Climate Action Network 804.767.8983 chelsea@chesapeake climate.org Eileen Levandoski Sierra Club 757.277.8537 eileen.levandoski@ sierraclub.org



tered access to the Virginia Capes Operating Area. This designated area off our coast is actively used by the military for daily missile drops, submarine maneuvers, and ammunition training from ships. The existence of live ordinance from decades of testing is an additional concern. Plans to increase Navy activities in this area are already underway.

Worth the Risk?

The Atlantic OCS has significantly less recoverable oil and gas reserves than any other OCS region. At current rates of consumption, the entire Atlantic OCS would supply the U.S. with only 6 months worth of oil and 18 months worth of natural gas; Virginia's offshore supply, estimated at 130 million barrels of oil and 1.14 trillion cubic feet of natural gas by BOEMRE, would last 6 and 18 days respectively at current national consumption rates.

We cannot drill our way out of our foreign oil addiction, and we cannot drill our way to a sustainable energy future. Drilling prolongs and expands dependence on fossil fuels, thus threatening Hampton Roads with oil spills and with sea-level rise due to climate change. Virginia needs to explore alternatives that will meet our energy needs while decreasing our reliance on fossil fuels.

MOUNTAINTOP REMOVAL

Statement of Issue

Mountaintop removal coal mining is destroying the landscape, waterways, quality of life, and economic viability of Southwest Virginia, the most biologically rich region of the Commonwealth. The process uses massive explosive blasts to destroy mountain peaks and ridges to access coal seams, reducing the height of mined mountains by hundreds of feet and creating a barren and unproductive landscape unable to support native forests. The resulting rubble is pushed into the neighboring valleys, permanently burying headwater streams with what the industry terms "valley fills," disrupting natural stream flows and poisoning downstream waterways.

This destruction of our state's mountains has emerged as a top environmental concern of Virginians, now that citizens across the state have become aware of the practice and the extent of the damage. Moreover, many coalfields residents favor legislation to end the practice of valley fills.

Background

The human and ecological costs of strip mining in Virginia, most of which involves mountaintop removal, are extremely high. To date, strip mines have destroyed 156,000 acres of mountainous terrain in the state.¹ An EPA report also found that, in just the 10 years between 1992 and 2002, 1,200 miles of Appalachian streams were destroyed—either buried by valley fills or mined-over—at an average rate of 120 stream miles each year. In Virginia, 151 miles of streams were destroyed in this period alone.¹ Across the region, more than 500 mountains have been destroyed, with 64 of these in Virginia.¹

Mountaintop removal mines can cover thousands of acres. Their impacts on humans and wildlife, however, extend far beyond the mine sites. The water downstream from valley fills is polluted with both toxic metals and excessive sediment, impacting

^{1.}"Extent of Mountaintop Mining in Appalachia,"2009. http://ilovemountains.org/reclamation-fail/details.php ².http://www.epa.gov/region3/mtntop/eis2003.htm



both human communities and aquatic life downstream, and the permanent destruction and fragmentation of forests has a profound effect on terrestrial wildlife.

Human Impacts

Residents of the coalfields must endure frequent blasting, contaminated drinking water, and severe flooding. The mountains and creeks destroyed by the practice—where residents have hunted, fished, hiked, and swum for generations—are integral to the area's way of life and cultural heritage.

Residents also suffer from dramatically elevated occurrences of health problems—such as heart, lung, and kidney disease—and premature death. Moreover, far from being an economic boon, strip mining is closely associated with economic distress. The Appalachian Regional Commission found that "current and persistent economic distress within the Central Appalachian Region has been associated with employment in the mining industry, particularly coal mining."

In fact, new studies demonstrate that the strictly economic costs imposed by mining exceed its benefits. A 2009 study focused on Kentucky found that state expenditures supporting coal mining exceeded state revenue from mining by over \$100 million annually. A peer-reviewed 2009 West Virginia University study comparing counties across Appalachia found a strong correlation between coal mining and a host of negative socioeconomic indicators, including elevated mortality rates. The study found that the value of the lives lost throughout the region due to mining impacts (the value of statistical life lost) vastly outweighs coal's economic contribution to the region. Of course, mountaintop removal also exacts great economic costs not considered in either of these studies, such as increased healthcare expenses and the value of damaged waterways, lost recreational opportunities, and obliterated viewsheds.

Finally, mountaintop removal compromises the region's future by greatly diminishing the desirability of the region as a place to live or to locate small businesses and less destructive industries.

Wildlife Impacts

The Appalachian Plateau, including Southwest Virginia, is one of the most biologically diverse regions in the temperate world. Mountaintop removal eliminates native forest and creates a barren landscape unsuitable for their re-growth. This permanent loss of forest—more than one million acres across Central Appalachia—and the fragmentation of an area several times this size—represents a disastrous loss of habitat.

While habitat losses on the mine sites pose the most obvious threat to wildlife, contamination of downstream waters from valley fills and mine runoff has severe impacts on aquatic life, and the affected drainages are among the most biologically diverse freshwater systems in the world. Selenium, one of dozens of toxic metals leached into streams from valley fills, is found downstream of mountaintop removal sites in concentrations far in excess of EPA standards, causing severe deformities in fish. One study showed that mayflies, which account for about half of insects in the Appalachian Plateau's headwater streams, had completely disappeared downstream from some valley fills, a loss with potentially catastrophic consequences for the entire downstream food web and the integrity of entire river systems.

The Virginia General Assembly should protect the state's mountains and waterways by enacting legislation to ban the dumping of mining waste into our streams and waterways.

MOUNTAINTOP REMOVAL RECOMMENDATIONS

The state's current policy allowing and subsidizing mountaintop removal permanently desecrates a rich and irreplaceable landscape that is treasured by residents and visitors alike, destroys the region's economic viability, and impedes the development of economic and energy alternatives.

Valley fills are currently allowed due to a loophole in the regulations enforcing the federal Clean Water Act. The Virginia General Assembly should protect the state's mountains and waterways by enacting legislation to ban the dumping of mining waste in intermittent, perennial, or ephemeral streams or other waters of the Commonwealth.

Virginia's taxpayers directly subsidize mountaintop removal through approximately \$44.5 million in corporate tax breaks provided by two Virginia statutes. Virginia Code sections 58.1-433.1 and 58.1-439.2 provide subsidies to coal companies and utilities for extraction and consumption of Virginia coal. If used effectively to support job creation in the coalfields, these funds could be a tremendous boon to employment and economic development in the region. The General Assembly should rededicate these funds to support the development of a vibrant and sustainable regional economy in Southwest Virginia. (Please review "A Coalfields Job Credit" on page 22.)

Mining Reform and Virginia's Energy Future While coal continues to play an important role in Virginia's energy mix, the toll mountaintop removal exacts on our communities, land, and waterways is unacceptable. Moreover, Virginia's coal production and employment are in a precipitous decline.

In 2009, Virginia coal production was down 54 percent from 1990 levels. Mining employment in the state has followed a similar downward trajectory, falling 57 percent—to fewer than 4,600 jobs—in the same period. These declines are expected to continue, with the Energy Information Administration predicting a further drop in central Appalachian coal production of 41 percent by 2020. Southwest Virginia's economic future clearly depends on transitioning from coal to more sustainable industries.

Ending mountaintop removal and valley fills is a critical first step in this direction. The practice is not only rapidly undermining the region's future economic viability; by using explosives and large earth-moving machines to extract coal, it employs many fewer miners than other methods. On the other hand, proposals for wind energy development in the region highlight the promise of renewable energy investment. And a 2009 report by the Appalachian Regional Commission discusses the vast untapped energy efficiency potential in the region and the potential to generate over 77,000 jobs across Appalachia from cost-effective efficiency investments.

While most Virginians consume some electricity generated from mountaintop removal coal, coal makes up less than half of Virginia's energy mix and only approximately a third of the coal extracted in Virginia is mined through mountaintop removal or other strip mining methods. The state, moreover, is a major exporter of coal. Therefore, coal mined using other methods can immediately replace mountaintop removal coal. The state's vast untapped energy efficiency and renewable energy potential can be brought online concurrently, with great benefits to the state's economy and environment.

MOUNTAINTOP REMOVAL CONTACT

Tom Cormons Appalachian Voices 434.293.6373 tom@appvoices.org

A COALFIELDS JOB CREDIT

Statement of the Issue

The economy of Southwest Virginia has traditionally been tied to the coal mining industry. Yet these jobs have been in steady decline for more than two decades. Between 1990 and 2009, Virginia coal mining employment dropped by 57 percent--to fewer than 4,600 jobs, tracking a 54 percent drop in coal production during the same period. The Energy Information Administration (EIA) predicts that this precipitous decline will continue as more of the state's most productive coal seams are mined out. For the central Appalachian region as a whole, the EIA projects a 41 percent decline in coal production from 2009 levels by 2020.



Source: Virginia Energy Patterns and Trends

Moreover, data shows that counties in Southwest Virginia with the most strip-mining activity (which includes mountaintop removal coal mining) have seen declining incomes over the past twenty years, while neighboring counties without significant strip mining have seen stable or increasing incomes.

As these charts show, the increasing reliance of the coal industry on mountaintop removal coal min-



Source: Appalachian Voices

ing is neither adding jobs nor improving incomes in counties where this mining is most common. The obvious conclusion is that Southwest Virginia must diversify its economic base beyond coal.

We support a program of significant tax credits for new jobs in the coalfields area, with the potential to create thousands of new jobs in diverse industries. To pay for the program, current tax subsidies for coal companies and utilities would be repealed, freeing up approximately \$45 million per year.

Background

The Problem: Coal Subsidies Don't Create Jobs

Currently, Virginia's taxpayers directly subsidize coal mining through approximately \$44.5 million in corporate tax breaks provided by two Virginia statutes (code sections 58.1-433.1 for utilities and 58.1-439.2 for coal companies). These sections provide subsidies to coal companies and utilities for the extraction and consumption of Virginia coal. The initial purpose of these provisions was to create employment in the coalfield areas of Virginia, but in fact they are only loosely related to employment levels and have not created new jobs. Instead, they serve only to favor coal extraction over all other business activities in the Commonwealth.

For coal companies, the credit is initially based on the amount of coal extracted as well as the method used. That credit is then limited or increased based on the "employment factor." The employment factor is a percentage equal to current year

1 The Virginia Coalfield Economic Development Authority was established to enhance the economic base for the seven counties and one city in the coalfield region of Virginia (Lee, Wise, Scott, Buchanan, Russell, Tazewell, and Dickenson Counties and the City of Norton). These same jurisdictions could be covered by the jobs credit.

COALFIELDS JOBS CREDIT RECOMMENDATIONS

The Solution: Replace Coal Subsidies with a Jobs Credit

A far more effective means of incentivizing employment in the coalfield areas of Virginia would be through a robust jobs credit for employers in the designated area. A jobs credit could be narrowly tailored to specific types of employment, such as new manufacturing jobs or green jobs, or it could apply to any new jobs created in the region (including service sector jobs). Opening it to all jobs would cast the widest net possible to attract new businesses.

One approach would be to base the credit on wages paid to each new employee. The Legislature could determine whether new employees had been hired by looking at a base period, two years for example, and comparing employment during the base period to current employment levels at the company. To the extent that current employment was greater than base period employment, the employer would get a non-refundable credit against its income tax liability for some portion of the new employee's wages. A new employee could be anyone hired within the company's fiscal year.

The dollar amount of the credit would be set at the level the Legislature deems appropriate to stimulate employment. The credit could be limited to first year wages or extended beyond that. In order to ensure that the new jobs go to current residents of the region, the credit could be limited to employment of persons already living within the counties that comprise the coalfields areas.

Such a tax credit, narrowly focused on increasing employment opportunities in southwest Virginia, would attract new business and incentivize the expansion of existing businesses, without giving a windfall to one industry, electric utilities, that is already financially robust, and rewarding another, coal companies, for behavior that has harmed the environment of the area while resulting in employment declines rather than increases.

A budget of \$44.5 million would be sufficient to fund thousands of new jobs for coalfields residents through such tax credits, even if the credits supported fully one-third of the cost of each new employee in the first year, up to a limit of \$15,000 per employee, and phasing out over three years. Since growing companies and new jobs would generate tax revenues for the state, the net cost to taxpayers would be less, even without considering the likelihood that new jobs would have a multiplier effect. This plan could even accommodate direct payments to VACEDA, to continue current funding levels, and still save money.

The result would be new jobs in the hard-hit coalfields area, a fairer sharing of the tax burden among the various sectors of Virginia business, and savings for taxpayers--a triple win for Virginia.

coal mining jobs, divided by immediately prior year mining jobs.

For instance, if the coal company kept employment at the same level and increased productivity, the credit would go up. The credit could even go up if employment went down but production went up.

The credit for utilities does not take employment

COAL SUBSIDIES CONTACTS

Tom Cormons Appalachian Voices 434.293.6373 tom@appvoices.org

Ivy Main Sierra Club 703.448.7618 ivymain@cox.net into account at all. As with the credit for coal companies, the credit merely results in a windfall for corporations. Indeed, current practice is for the utilities to sell their tax credits to coal companies, which are permitted to cash them in, sharing a small percentage with the Virginia Coalfield Economic Development Authority (VACEDA). Thus the "credits" not only deprive the Commonwealth of income, but actually result in cash payments to coal mining companies, courtesy of the taxpayers.

CONFRONTING CLIMATE CHANGE

Statement of the Issue

Earth is experiencing unprecedented climate change and human activities are primarily responsible. Scientists warn that we must take immediate, effective action if we are to avoid passing a "tipping point"—a point of no return for avoiding the most extreme consequences of global climate change. They also stress the need to start preparing for those climate changes we cannot avoid—those consequences "locked in" by our actions to date. VCN's current positions on issues like land use, transportation, coal-fired power plants, and others provide detailed action plans to address both today's challenges and the larger challenge of climate change. This paper looks at the broader climate change issue as it impacts Virginia.

The scientific consensus is overwhelming. In 1979, well before global warming became a hotbutton, political issue, a National Academy of Sciences report concluded, "We now have incontrovertible evidence that the atmosphere is indeed changing and that we ourselves contribute to that change. Atmospheric concentrations of carbon dioxide are steadily increasing, and these changes are linked with man's use of fossil fuels...A wait-and-see policy may mean waiting until it is too late." In the last 20 years we have seen 14 of the warmest years in history. The Artic Ice sheet is smaller than at any point since human measurements began. This year the global ocean temperature was the highest ever recorded. The rate of sea level rise has doubled in recent decades. According to the National Oceanic and Atmospheric Administration, "The first eight months of 2010 tied the same period in 1998 for the warmest combined land and ocean surface temperature on record worldwide." The International Panel on Climate Change and an extensive body of published, peer-reviewed science warn that climate change will lead to more frequent and severe droughts, floods, heat waves, and storms.

The link between man-made green house gases and these climate change indicators is better studied and understood than most areas of science. This fact highlights the central reality about climate change: we have had plentiful information about the issue for decades; what we have lacked is the political will to implement solutions. It is clearly time to act.

Background

Impacts to Virginia

Virginia is likely to experience some of the worst impacts of climate change of any state along the Atlantic Coast. From Appalachia to the Northern Neck, climate change will significantly alter growing seasons, increase severe precipitation events, and result in summertime droughts, severely threatening agriculture, forestry, fisheries, tourism, and many other economic sectors.

Climate change will significantly alter growing seasons, increase severe precipitation events, and result in summertime droughts, severely threatening agriculture, forestry, fisheries, tourism, and many other economic sectors.

Water levels in the Chesapeake Bay and along Virginia's coastline are expected to rise by 2 to 5 feet this century. The Hampton Roads region is the nation's most populated area at the greatest risk from sea level rise outside of New Orleans. Hampton Roads has the tenth largest set of infrastructure and building assets at risk of inundation in the world.

Virginia Should Lead

Given the high risk of climate change impacts on Virginia, it is imperative for us to take immediate steps to combat climate change. Virginia is a serious contributor to climate change— greater than some individual countries— and its role is increasing. Old Dominion Electric Cooperative is proposing what would be the single-largest coal-fired power plant in Virginia. If built, the ODEC coal plant would emit another 11.7 million tons of CO₂ annually—putting it on the list of one of the top 50 dirtiest power plants in the nation, keeping company with power stations that are several decades old.

Electricity generation is only one part of the problem. Our buildings and transportation account for approximately 75 percent of our energy use and greenhouse gas emissions. Sprawling suburban development and road-centered transportation policies force increased driving and fuel consumption, thus increasing carbon dioxide emissions. Virginia has had one of the largest increases in carbon dioxide emissions from cars and trucks in the nation. Additionally, sprawl destroys farmlands, woodlands, and other open space that help store carbon.

Recent Policy Developments

Federal Action

In 2009, the U.S. House of Representatives passed a bill, the American Clean Energy and Security Act, which would have established a cap-and-trade program for greenhouse emissions similar to the successful program used to stop the spread of acid rain. Unfortunately, that bill languished in the Senate and has little chance of moving forward.

More positively, the U.S. EPA has responded to a 2007 court order from the Supreme Court of the United States, in Massachusetts v. EPA, and has promulgated regulations that would reduce greenhouse gas pollution from both mobile sources (e.g., car and trucks) and stationary sources (e.g., power plants and factories). The new EPA climate protections are set to go into effect on January 2, 2011. Virginia's Attorney General, Ken Cuccinelli, however, has joined big coal and oil interests in filing a



lawsuit challenging EPA's new greenhouse gas initiatives.

State Action

In 2008, the Virginia Commission on Climate Change reported on the need to reduce greenhouse gases and start to prepare for climate change impacts on Virginia. Unfortunately, few of the commission's recommendations were acted upon by the Governor or General Assembly. Meanwhile, the Governor's 2010 Virginia Energy Plan deleted any mention of "climate" whatsoever.

Now, climate-change denying legislation is popping up in the state legislature. Two bills, in particular, target EPA's authority to regulate greenhouse gas pollution.

HB 1397 (Del. Bob Marshall) is aimed primarily at prohibiting the application of federal energy efficiency standards in Virginia. Federal standards, however, could help spur job growth in efficiencyrelated businesses, while helping to reduce electricity bills for consumers. The bill also authorizes the Attorney General to sue to oppose federal climate protection regulations.

HB 1398 (Del. Bob Marshall) would authorize the Attorney General to waste more taxpayer dollars on frivolous litigation aimed at EPA's authority to address climate change. The bill denies peerreviewed, published science on climate change that has been well-established for decades.

More anti-climate bills are expected.

CLIMATE CHANGE RECOMMENDATIONS

- We can move Virginia in the right direction by:
- Expanding effective energy efficiency and conservation programs that not only offset peak demand, but also further reduce generation needs 24 hours a day, 365 days a year;
- Rejecting proposals for conventional-style, coal-fired power plants that would significantly increase global warming emissions, thus exacerbating the Commonwealth's contribution to climate change;
- Rejecting legislation, like **HB 1397 and 1398,** that denies well-established science on climate change.
- Promoting the responsible development of low- and no-carbon renewable energy sources;
- Reforming Virginia's land use and transportation policies to promote green building in more compact communities, transit and other alternatives to driving, and more efficient, cleaner vehicles;
- Providing local governments and state agencies with the planning tools (e.g. LiDAR data) they need to minimize the effects of climate change on communities and infrastructure, and
- Encouraging greater investment in conserving forest, agricultural, and marshlands that can act as carbon sinks.

Opportunities for Progress

Despite setbacks, there is progress that can be made to combat climate change. Local governments are taking action, including joining the Sierra Club's "Cool Cities" and "Cool Counties" programs and the Virginia Municipal League's "Go Green Virginia" initiative, demonstrating that progress can be made.

Alternative energy investments in Virginia are on the rise. Offshore wind generation in particular presents a great opportunity to generate clean energy cost-effectively and create new Virginiabased jobs fabricating and installing wind turbines. Likewise, energy conservation work puts building trades back on the job, reviving that sagging employment market. Federal stimulus spending and tax credits will greatly expand the market for home weatherization providers and help Virginia's community colleges establish training programs in that field. Sustaining job growth beyond the two-year window of the stimulus, however, will require state leadership.

CLIMATE CHANGE CONTACTS

Cale Jaffe Southern Environmental Law Center 434.977.4090 cjaffe@selcva.org Skip Stiles Wetlands Watch 757.623.4835 skip.stiles@wetlands watch.org



GREN COMMUNITIES Better Places to Live and Work

SMART GROWTH

Statement of the Issue

Despite the recent economic downturn, Virginia continues to grapple with sprawling development spreading farther and farther from existing communities. This type of development is costly to taxpayers and has led to rapid loss of rural lands, loss of natural, historic, and cultural resources, harmful pollution, increased traffic, and a deteriorating quality of life for many Virginians. The impact on family budgets from long, costly commutes has also been significant and the gas price spike of 2007 apparently contributed to the real estate collapse in the outer suburbs.¹ When considering very tight federal, state and local budgets, family finances, our oil dependency, and the contribution of transportation emissions to health problems and climate change, smart growthwith its focus on location efficient developmentbecomes a public policy imperative.

Background

We don't have to choose between courting growth and curbing sprawl. The market wants more alternatives to sprawl as changing demographics—young professionals, empty nesters, retirees, and more and more families—seek more vibrant and walkable cities, towns, and suburbs built more like traditional towns and neighborhoods. A higher quality of life enhances economic competitiveness by helping to attract and retain businesses and workers. Further, a summary of 40 years of fiscal impact studies showed that smart growth-compact and traditional cities, towns and neighborhoods-typically consumes less land, and costs much less for roads, utilities, and housing than does sprawling development.² Moreover, where there are incentives and a focus on redevelopment, the public and private sector can collaborate on the repair and replacement of aging infrastructure in existing communities. Legislators of both parties have recognized this, and have passed a number of measures promoting more sensible growth in recent years including requirements for Urban Development Areas (UDAs) to focus growth in more compact, walkable communities and for more connected street networks. These approaches will save taxpayers money, strengthen our communities, save energy, reduce traffic congestion, and protect our farmland, health, and environment. They also offer the potential for a new partnership between state and local governments to guide growth more efficiently and effectively.

Young professionals, empty nesters, and families seek more vibrant and walkable cities, towns, and suburbs built like traditional neighborhoods.

SMART GROWTH CONTACTS

Trip Pollard Southern Environmental Law Center 804.343.1090 tpollard@selcva.org

Stewart Schwartz Coalition for Smarter Growth 202.244.4408 stewart@smarter growth.net

¹ See, for example, Joe Cortright, CEOs for Cities, "Driven to the Brink." http://www.ceosforcities.org/work/driven_to_the_brink

^{2.} See Transportation Cooperative Research Report 39, "Costs of Sprawl," http://www.trb.org/Publications/Blurbs/Costs_of_Sprawl_2000_160966.aspx and TCRP Report 74, Costs of Sprawl—Revisited, http://pubsindex.trb.org/view.aspx?id=540975

3-See Opinion 02251998, Real estate defined; Classification of real property, 02/25/1998, http://www.policylibrary.tax.virginia.gov/OTP/policy.nsf

Strengthen state and local efforts to guide growth:

- Maintain and continue to implement the Urban Development Area (UDA) statute and the Secondary Street connectivity standards that will help reduce statewide infrastructure costs and traffic congestion.
- Strengthen county implementation of UDAs through cooperation with nearby towns and cities, requiring interconnected street grids and new urban designs;
- Reduce stale zoning and development outside the UDAs using Transferrable Development Rights (TDRs), Purchase of Development Rights, Conservation Easements and other tools.
- Provide state funding and technical assistance for UDA implementation.

Improve data collection on land development and infrastructure costs:

- Require local governments to estimate and report to the Commonwealth their projected population and employment growth and buildout under their existing comprehensive plan and zoning for residential units and commercial square footage;
- Provide state funding and technical assistance to localities, including in measuring vacant and underutilized land in existing communities and determining the residential and commercial growth capacity when developed as compact, mixed-use, walkable development, as well as in estimating long-term infrastructure costs under current buildout projections and under alternative growth scenarios;
- The state and localities should work together to compile estimates of the total maintenance and replacement needs of bridges, roads, water/sewer, schools, libraries, and other facilities.

Target scarce public tax dollars. Prioritize state infrastructure funds to existing communities and UDAs, including economic development, transit/bike/pedestrian/local street investment, schools and water/sewer.

Ensure new development pays a fair share of the costs of infrastructure. During the 2008 General Assembly session, homebuilders sought to significantly reduce, if not eliminate, contributions to the cost of infrastructure through proffers or impact fees. During 2009, the Virginia Association of Counties and the American Planning Association, Virginia Chapter, argued for conversion to an impact fee approach.

VCN urges careful deliberation before the General Assembly considers repealing the proffer system. The proffer system is not without its problems, but the system has been successful in encouraging investment in a range of community benefits and was the product of negotiations between developers and local governments following a period of intense land use controversies. A fair balance must be struck between what the public taxpayer and the private developer must pay toward the cost of infrastructure necessitated by new development. Impact fees must not be limited to education, roads, and public safety but should also cover a range of other community service such as parks and open space, water quality and water supply protections, libraries and other civic institutions. Finally, any system should be constructed so that it creates the incentive to develop within urban development areas, and not outside UDAs.

Oppose any efforts to weaken local control over the placement of telecommunications facilities, rail lines, and energy facilities. Localities must be able to mitigate any undesirable impacts of these facilities on communities. The state should require comprehensive environmental assessments; studies of need, alternatives and location; consultation with local governments, and context sensitive design approaches.

Support state action that allows cities and towns to revitalize urban and older suburban areas. Some states allow their municipalities to apply a lower tax rate on buildings than on the underlying land. This lower tax rate stimulates investment because it reduces the property owner's tax liability on the improvements. By removing a tax disincentive, it encourages investment where we already have infrastructure. The Virginia Attorney General found this tax policy to be constitutional in 1998, but only the City of Fairfax has requested and been granted this authority.³

TRANSPORTATION FUNDING

Statement of the Issue

Transportation funding and VDOT remain at the forefront of policy debates in Virginia. The Governor's proposed ABC privatization to provide additional transportation funds, recent audit of VDOT, an estimated \$4.7 billion backlog to fix structurally deficient bridges and repave highways, and a significant drop in the state share of transit funding, and the need to identify a source of funds to operate passenger rail service are among the recent topics of debate. Elected and state officials acknowledge the need to reform VDOT, to better link land use and



transportation to reduce the rising costs of transportation, and to provide funding for more transportation choices. Yet the state continues to focus heavily on highway construction and slights both transportation alternatives and land use impacts. This approach is costly to taxpayers, increases energy dependence, destroys natural and rural areas, spurs sprawl, increases air and water pollution, contributes to global climate change, and limits transportation choices, while doing little to relieve congestion in the long run.

Background

Transportation has been a central issue in General Assembly sessions for a number of years, and some important provisions have been adopted that better link transportation and land use planning. Meanwhile, our transportation challenges are increasing. Gas prices are volatile, transit services have been cut and/or fares hiked, gridlock and air pollution are getting worse, many existing roads and bridges are in poor condition, and transportation and land use decisions are rarely coordinated. Transportation is also the leading- and fastest rising- source of carbon dioxide in the state.

Virginia will spend billions of taxpayers' dollars on transportation this year. This spending and the long range transportation plan continue to focus overwhelmingly on roads. Evidence indicates that new and wider highways generate significant new traffic without providing long-term congestion relief because they cause development to spread out and the amount of driving to increase. Despite significant congestion within the metropolitan areas of the state, VDOT is advancing major rural highways and bypasses that divert scarce resources, increase sprawl, and fail to target areas of greatest need. In addition, VDOT's focus on privatizing highways and tolls is limiting input by the public and by public officials, undermining environmental review, slighting transit, and advancing unneeded projects and speculative development.

Governor McDonnell, Speaker Howell, and General Assembly members of both parties have recognized the need to reform VDOT and to improve our transportation policies. Some positive steps have been taken, such as increased funding for rail. But these are relatively minor steps in light of the magnitude of the problems we face, and any benefits they produce will be more than outweighed by proposed new highway projects.

TRANSPORTATION FUNDING CONTACTS

Trip Pollard Southern Environmental Law Center 804.343.1090 tpollard@selcva.org Stewart Schwartz Coalition for Smarter Growth 202.244.4408 stewart@smarter growth.net **Support a more balanced transportation system.** Any legislation or budget provision that provides or relates to transportation funding should advance four key goals:

First, use our resources more efficiently by focusing on repairing our existing transportation system and on improving local street networks before spending billions of dollars on major new roads.

Second, shift funding to alternatives to driving, such as public transit, passenger and freight rail, transit-oriented development, walking, and bicycling. These alternatives are cheaper and can reduce congestion, energy consumption, and pollution; moreover several provide better services for elderly, disabled, and low income citizens. At least 50 percent of any new state or regional funding should go to these alternatives. Providing new funds and flexing existing funds to passenger and freight rail improvements in the I-95, I-81, and I-64 corridors should be a particularly high priority.

Third, tie transportation funding to measurable performance criteria, such as reduced air pollution from vehicles and reduced per capita vehicle miles traveled.

Fourth, transportation funding allocation formulas need to be changed from a single statewide formula in order to give regions flexibility to determine the funding levels for various transportation modes—above certain minimum levels—that best meet their needs.

Preserve the Rail Advisory Board and provide dedicated operating funds for rail. The proposal by the Commission on Government Reform to eliminate the Rail Advisory Board should be rejected to retain the expertise and accountability this Board provides to help ensure that public funds spent through the Rail Enhancement Fund adequately benefit the public. The Board should be strengthened, not eliminated. In addition, a dedicated source of funding should be provided for passenger rail service. Other changes may be needed to ensure or enhance Virginia's ability to qualify for federal rail funds.

Support transportation process reform. There have been numerous efforts in recent sessions to reform various aspects of state transportation planning. Any action that will reduce the environmental impacts of transportation projects, enhance public involvement in planning, improve the Public Private Transportation Act, or seriously reform VDOT planning and CTB oversight should be supported.

Support stronger performance standards for transportation planning. Expand requirements for the development of performance standards and require VDOT and large metropolitan areas to meet measures that include reduction in per capita vehicle miles traveled and increased mode share for transit, carpooling, walking, bicycling and telecommuting.

Support improving the link between transportation and land use, and providing incentives for smarter growth. Potential measures include: target transportation spending to existing communities and congested areas, tie transportation funding to land use changes that reduce travel demand, target economic development assistance to existing communities and locations with adequate pre-existing transportation infrastructure, work with localities to conduct build-out analyses of their land use plans, and provide technical assistance to localities to promote transit-oriented development. Any effort to weaken or rollback recent reforms such as the new secondary street standards should be opposed.

PUBLIC-PRIVATE TRANSPORTATION ACT

Statement of the Issue

Virginia's Public-Private Transportation Act of 1995 (PPTA) has become increasingly central to the Commonwealth's transportation program. The PPTA allows private entities to enter into agreements with VDOT to construct, improve, maintain, and operate transportation facilities. Yet experience with PPTA projects and proposals indicates that the statute is seriously flawed and raises significant doubts about how effectively it serves the public interest.



Background

The PPTA is designed to facilitate private investment in public infrastructure and transportation facilities. It allows both solicited and unsolicited proposals, and is viewed by its supporters as a way to make needed improvements and additions to the state transportation system sooner, more cheaply, and more efficiently than with public funds alone. Projects undertaken so far under the PPTA or its predecessor include the Dulles Greenway and Route 28 interchanges in Northern Virginia, the Pocahontas Parkway (Route 895) in Richmond, and Route 288 in Richmond.

There are numerous additional PPTA proposals currently underway or under consideration by VDOT. The McDonnell Administration has created a new PPTA Office, is directing some of the multimodal funds to this office, and has made it clear that it views the PPTA as a key element of its strategy for delivering new transportation projects.

The track record of PPTA projects thus far calls into question the claims made on behalf of the statute. Among other things, potential costs and liabilities to taxpayers have often been underestimated or not provided to the public. Under the agreement for the widening of the Capital Beltway, for example, state taxpayers will have to pay an undisclosed amount to the project developer if carpooling and transit use of the new High Occupancy Toll lanes rise above a certain level. This is in addition to the hundreds of millions of tax dollars being poured into the project, which was originally projected to cost taxpayers little or nothing. Similarly, Star Solutions' public pronouncements significantly understated the true cost of its proposal to double the size of I-81. In addition, in the past, bonds for the Pocahontas Parkway were downgraded and placed on a watch list by credit agencies since traffic and toll revenues were lower than expected.

Although the PPTA could be an innovative tool for getting transportation projects funded and built, there are many problems with the Act and its implementation, including concerns that:

- It undermines sound transportation planning by advancing projects that are not high priorities for the public, moving proposed projects to the head of the list of projects under consideration and making a claim on state revenues at the expense of other projects.
- Opportunities for public input into the PPTA process are limited.
- Environmental review of proposals is circumvented or undermined, among other things due to the prioritization and advancement of a proposal before it has been studied or alternatives evaluated.

PPTA REFORM RECOMMENDATIONS

Support PPTA reform. Legislation to improve the PPTA should be supported. Potential measures include:

- Limiting proposals under the PPTA to projects contained in state transportation plans and to projects with complete, independent environmental studies.
- Requiring greater public and local government input into each proposal (such as traditional public hearings at an early stage of review and a hearing before an agreement is signed).
- Requiring approval of PPTA proposals by the Commonwealth Transportation Board.
- Redefining the process to ensure that bidding is competitive, including requirements for national and international advertising and a longer response period.
- Giving priority to proposals that include significant private sector equity contributions and to proposals that retain public control of any public asset involved.
- Requiring evaluation of the impacts of proposed projects on land development patterns.
- Requiring projects to incorporate context sensitive design, low impact development, and other measures to avoid and minimize adverse environmental impacts in the construction and operation of a project.

Oppose additional taxpayer funding until the PPTA is reformed. The General Assembly should not provide any additional funds for specific projects or for the Transportation Partnership Opportunity Fund it created to support PPTA projects until the PPTA is reformed. Moreover, project developers should not be allowed to receive anticipated future general fund revenues under any circumstance.

- Requirements for competitive bidding are inadequate, and have allowed a project proponent or bidder in the first phase of a proposal to establish a sole-source arrangement for later phases.
- Applicants have failed to disclose all necessary information about costs and design, and in the agreement for the Dulles Rail PPTA project, applicants secured the right to destroy information after the project is completed.
- There has been a lack of information about potential costs to taxpayers and potential risk to the state's bond rating, despite recent amendments to the statute aimed at addressing this issue.
- It creates incentives for sprawl, driving, and environmental damage. The primary concern of PPTA developers is maximizing profit, not the public interest. For example, the previous

owner of the Pocahontas Parkway supported a massive new development and an additional interchange that would increase the amount of traffic (and revenue) on the highway. Most PPTA projects built or proposed thus far have been highway construction that will subsidize sprawl and increase motor vehicle dependence, destroying open space and increasing air and water pollution.

PPTA CONTACT

Trip Pollard Southern Environmental Law Center 804.343.1090 tpollard@selcva.org

INTERCITY PASSENGER RAIL

Statement of Issue

Increased congestion on our roads and in our airways, vulnerability to volatile fossil fuel prices, dependence on foreign oil, and air and water pollution are just some of the problems with our current transportation system that have led many local, state, and federal officials to endorse more sustainable transportation options.

Rail plays a critical part in a more sustainable transportation approach. Rail's 21st century role should be to provide increased freight and passenger capacity in order to maximize the energy efficiency and competitiveness of Virginia's economy, especially in corridors where additional highway projects are prohibitively expensive and/or environmentally detrimental.

High speed passenger rail could link metro regions under 600 miles apart, with commuter and intercity rail feeding those metro regions and public transit serving those metro regions, giving people alternatives to driving in and between urban areas.

Background

The American Recovery and Reinvestment Act (ARRA) provided \$8 billion to fund the start of a high speed rail system, as was set up in the Passenger Rail Investment and Improvement Act (PRIIA), and no funding for the advancement of a high performance freight rail system. Virginia received \$75 million for passenger rail improvements to the I-95 corridor. However, the short-term nature of ARRA—and subsequent federal appropriations—left many states with a micro-view of how to properly invest in high speed passenger and high performance freight rail. Without a strategic, macro-view policy on the federal and state levels, investment in rail will result in a mish-mash transportation system that neither serves the needed markets nor connects



on an inter or intra-city level.

In 1992, the United States Department of Transportation (USDOT) designated five high speed rail corridors, including the Southeast High Speed Rail Corridor, which extended from Washington, D.C. to Richmond, Virginia to North Carolina and Georgia. In 1996, the USDOT added a high speed rail link to Hampton Roads, and other modifications have been made to the Southeast High Speed Rail Corridor and other corridors have been identified. However, due to a lack of federal investment, there has been no significant progress made towards the advancement of high speed rail outside of the Northeast Corridor. This changed with the passage of PRIIA in late 2008, which created the framework for federal investment in high speed rail and authorized about a billion dollars over six years for high speed rail. Next came the passage of ARRA, which provides \$8 billion for high speed rail, and Congress included an additional \$2.4 billion for high speed rail in their FY 2011 federal transportation appropriation.

Among other things, the FRA guidelines require that states who receive high speed rail funding locate a long-term, sustainable funding source for passenger rail operations. Virginia sponsors two daily

PASSENGER RAIL RECOMMENDATIONS

- Create an "Intercity Passenger Rail Operations Fund" (IPROF) which can be used to fund the current state sponsored passenger rail service and all future expansions.
- Identify a long-term, sustainable funding source for the IPROF and enable the state's Rail Enhancement Fund to match federal investments in Virginia's rail infrastructure.
- The proposal by the Commission on Government Reform to eliminate the Rail Advisory Board should be rejected to retain the expertise and accountability this Board provides to help ensure that public funds spent through the Rail Enhancement Fund adequately benefit the public. The Board should be empowered to engage in a wide-ranging and inclusive planning process. One model would be an independent statewide Rail Development Authority to oversee expansion of freight and passenger rail for public benefits, and ensure public input and accountability.
- Articulate a long-term vision that integrates high speed rail, freight rail, public transit, roads and airports to create a sustainable multi-modal system for Virginia's future.

roundtrip Amtrak Northeast Regional trains on the Piedmont Corridor (Lynchburg, Charlottesville, and Manassas) and Urban Crescent (Richmond, Fredericksburg, Alexandria) rail corridors. Yet Virginia does not have a long-term, sustainable funding source to pay for passenger rail operations, and is paying for this new service with a three-year demonstration grant.

To date, Virginia is investing \$168 million –in state and federal funds- in the Southeast High Speed Rail Corridor to add capacity between Washington and Richmond, and add new intercity passenger rail service between Richmond and Norfolk by 2013. Today, there is no mechanism to match federal funds with Virginia Rail Enhancement Funds, nor fund the operation and expansion of intercity and high speed passenger rail service.

PASSENGER RAIL CONTACTS

Trip Pollard Southern Environmental Law Center 804.343.1090 tpollard@selcva.org Daniel Plaugher Virginians for High Speed Rail 804.864.5193 vhsr@earthlink.net

FREIGHT RAIL

Statement of the Issue

The part of the railroad industry most people are familiar with is the passenger train. Like an iceberg, however, where the visible part is only a tiny piece, the much greater part of rail transportation is freight and lies largely out of the public view.

Because Virginia's freight rail system is much more extensive than passenger rail, the foundation is in place to grow and modify the system in ways that magnify its public benefits. These benefits include reductions in energy use and oil consumption, accompanying improvements in air quality, and safety improvements on roads and highways.

Background

All the familiar advantages of rail that we can glimpse on the passenger side are greatly magnified for freight.

Foremost are the environmental and energy considerations. Freight rail can move goods much more efficiently than trucks, especially in mid- to longdistance situations, using a third or less the energy required on the highway. This means less fuel is consumed and less pollution is produced in burning that fuel, with positive implications for energy conservation, greenhouse gas formation, and climate change. A railroad's footprint on the land is also far less, and capacity can be increased manifold by installing a second track in only twenty feet of added width. To double highway capacity would require numerous new lanes of pavement and much greater disruption to surrounding homes, farms, businesses, and historic resources.

Removal of trucks from the highway also has important public benefits. Safety is enhanced, especially where transport of hazardous commodities is involved. Health effects of emissions from trucks along highway corridors and in urban areas are ameliorated. Wear and tear on pavement and bridges is reduced, saving highway maintenance dollars. The more freight that is carried by rail, the longer public outlays for new highway capacity can be avoided, too.

Public policy focusing on ways to achieve more use of rail is, therefore, appropriate and relevant. For decades virtually all government funding for transportation has gone into road building. The Interstate Highway system is mature, and new capacity projects now seem always to involve huge cost and often unacceptable environmental degradation.

Over this same period of highway dominance railroad infrastructure in the U.S. has shrunk greatly, so that now many key routes are capacity constrained and diversion of much more freight from the highway is not feasible. A solid case can be advanced for making incremental capacity increases on rail rather than on highways. Not only are there environmental advantages, but often more throughput per dollar as well.

Freight railroads in the U.S. are privately owned, so often making public investment in enhanced capacity can be awkward even if desired. These companies make profits for shareholders and putting tax dollars in such enterprises can easily be seen by citizens as inappropriate.

A rigorous standard needs to be employed for such public/private ventures, namely that public benefit exceed public cost and typically also that the new capacity developed is more cost-effective than more highway construction. In such cases it can be



good for both the public and the rail carriers to work together on capacity improvements.

Another major consideration concerns oil dependency. Today in the U.S. the transportation sector of our economy is nearly totally dependent on oil. Oil is a diminishing resource and many experts agree that peak worldwide production has already occurred. Oil production per capita peaked decades ago. In both state and federal transportation planning, therefore, it is vital that our vision of the future includes how to cope with Peak Oil and how to preserve the mobility of both goods and people that is too pivotal to our standard of living.

Railroads can readily be electrified. In much of the rest of the world they already are. Amtrak's Northeast Corridor is the only major example of electrified rail operations in the U.S. today.

Electrified railroads can substitute domesticallygenerated electricity, from a variety of sources including renewables, for expensive foreign oil. This is very beneficial economically, preserving American dollars in this country year after year, funding economic growth and job creation instead of pumping billions of dollars into foreign nations often unfriendly to the U.S.

FREIGHT RAIL RECOMMENDATIONS

- Virginia transportation investments should reflect the potential for freight rail so that citizens of the Commonwealth can take full benefit from the many advantages of freight rail.
- The proposal by the Commission on Government Reform to eliminate the Rail Advisory Board should be rejected to retain the expertise and accountability this Board provides to help ensure that public funds spent through the Rail Enhancement Fund adequately benefit the public. The Board should be empowered to engage in a wide-ranging and inclusive planning process. One model would be an independent statewide Rail Development Authority to oversee expansion of freight and passenger rail for public benefits, and ensure public input and accountability.
- Articulate a long-term vision that integrates high speed rail, freight rail, public transit, roads and airports to create a sustainable multi-modal system for Virginia's future.

Such savings can go a long way towards justifying and funding the rail infrastructure investments needed. Full manifestation of this potential comes in what some have called the Steel Interstate. It would do for railroads what the Eisenhower Interstate System did for roads. A core national network would be created of high-capacity, grade-separated, electrified rail lines that would constitute the backbone for future movement of both freight and passengers.

A Steel Interstate pilot project has been proposed for the I-81 Corridor, where trucking densities are among the highest in the nation. The recently-completed I-81 Truck Diversion Study done by Cambridge Systematics for Department of Rail and Public Transportation suggests that a combination of rail improvement strategies in the I-81 Corridor could remove 54 percent of through trucks from I-81, compared to 22 percent for Norfolk Sothern's Crescent Corridor alone.

FREIGHT RAIL CONTACT

David Foster RailSolution 540.389.0407 railsolution@aol.com

LAND CONSERVATION

Statement of the Issue

Successful land conservation requires action and initiative at all levels that is geared toward the protection of a diversity of lands. State agencies, local communities, and private individuals need the right tools to protect working farms and forests, scenic landscapes, natural areas, wildlife habitat and game lands, historic resources, and parks and recreational areas for present and future generations of Virginians. Virginia currently has a variety of programs and approaches that deliver lasting results across the Commonwealth: the Virginia Land Preservation Tax Credit program, state matching funds for local purchase of development rights (PDR) programs through the Virginia Department of Agriculture and Consumer Services (VDACS) Office of Farmland Preservation, and competitively awarded land preservation funds from the Virginia Land Conservation Foundation.

Without significant and reliable funding for these

programs, Virginia will not achieve conservation results at a large enough scale to:

- maintain the quality of life that attracts businesses and tourists to the Commonwealth,
- conserve the land base which supports our two largest industries—forestry and agriculture,
- meet its commitment to restore the Chesapeake Bay,
- access available federal and private conservation dollars that require matching funds, and ensure that future generations can enjoy the beautiful, diverse Virginia that we know today.



Background

If current trends continue, over the next 40 years Virginia will lose as many acres of farms, forests, and natural lands to development as have been lost in total in the 400 years since the Commonwealth was settled by Europeans. The rate we are losing rural land is accelerating; we are now losing land at more than two times our rate of population growth. Vitally important prime farmland is being consumed at the greatest rate, with forestland loss close behind. In addition, we are regularly losing irreplaceable, critical wildlife habitat, important historic sites, and economically valuable scenic resources.

Virginians have said repeatedly in surveys, polls, and at the ballot box that they are willing to invest in the protection of open space. Unfortunately, the Commonwealth has failed to consistently provide adequate funding to protect our most important natural, cultural, and historic resources for the benefit of future generations.

Land Preservation Tax Credit

The Land Preservation Tax Credit is Virginia's most successful, dependable land conservation funding program and is one of the best land conservation tax incentive programs in the nation. This program is an efficient and effective way to encourage private voluntary land conservation by providing taxpayers who make gifts of land or conservation easements tax credits equal to 40 percent of the value of their donated interest. Landowners with lower incomes who are unable to use all of their tax credits may transfer unused but allowable credits to other taxpayers. Before the implementation of the tax credit, just 19 counties had more than 1,000 acres of land protected by conservation easements. Just ten years after implementing this program, that number has rocketed to more than 80 localities with more than 1,000 acres of land protected by conservation easements.

An examination of the donated conservation easements demonstrates that the LPTC program is protecting critically important lands across the Commonwealth. For example, an analysis of the more than 725,000 acres of conservation easements in Virginia shows that:

- 350,000 acres (48 percent) are acres which are identified by the Department of Conservation and Recreation as ecological core habitat;
- 420,000 acres (60 percent) are forested lands;
- 219,000 acres (30 percent) are protecting nationally identified prime agricultural soils;
- Over 624,000 acres (86 percent) are within the Chesapeake Bay watershed and add to the Commonwealth's commitments under the Chesapeake Bay 2000 Agreement;
- 136,000 acres are protecting corridors along state designated Scenic Roads; and
- over 97,500 acres of these protected lands are within state and nationally designated historic districts.

This program is an efficient and effective way for Virginia to encourage private landowners to conserve the most important lands in the Commonwealth. The land conservation community strongly recommends that the General Assembly make no changes that would reduce the impact and availability of this important land conservation tool.

LAND CONSERVATION RECOMMENDATIONS

Virginia needs to make a substantial financial commitment to land conservation by:

- Continuing the Land Preservation Tax Credit Program in its current form.
- Restore funding for the PDR and VLCF programs to FY09 levels (\$1million for PDRs and \$2million for VLCF) for FY12.
- In the coming year, identifying and creating stable funding for VLCF and the state PDR program at \$ 30 million annually per program.

Local Purchase of Development Rights Programs

In 2007, Virginia made a commitment to working farms and forestland through an investment of \$4.25 million for farmland preservation at the local level. Localities responded to the state investment by pledging 10 times the amount in matching funds, totaling \$45 million. The matching PDR program requires counties to match dollar for dollar the amount that is granted to them by the Commonwealth. Virginia is receiving at least a 50 percent return on its investment.

The original \$4.25 million investment by the Commonwealth will preserve farmland in 14 localities in Virginia. Since these matching funds became available, 20 localities have adopted local PDR programs. There are now 20 localities that realize the importance of preserving working farmland in Virginia. In order for these localities to keep the PDR programs strong; reliable and consistent funding is needed to maximize the potential of this conservation partnership.

In 2005, the Virginia Farmland Preservation Taskforce set a goal of establishing 30 PDR programs in Virginia by 2010. Virginia is well on the way to meeting that goal and localities need a financial commitment by the state in order to keep the programs running. The Taskforce also set a funding goal of \$30 million per year in farmland preservation funding. For the 2009-2010 bienniums, Virginia invested \$1.5 million in matching funds for local purchase of development rights programs, but only \$100,000 was allocated for FY2011. The Commonwealth needs to support its partnership with localities to conserve working farm and forest land through continued consistent funding of local purchase of development rights programs, and restore at least the FY2009 level of funding at \$1M. It is critical that in these difficult financial times, the state continue to make investments in PDR funding to ensure that the Commonwealth's largest industry—agriculture and forestry—continue to have the land on which to operate.

Over the long term, and in order to meet program demand and best preserve Virginia's incomparable natural resources, the Commonwealth should invest \$30 million annually in the Office of Farmland Preservation's state PDR program.

Virginia Land Conservation Foundation

The Virginia Land Conservation Foundation (VLCF) provides state matching grants for the preservation of various categories of special lands in the Commonwealth. These grants are awarded on a competitive basis for the protection of open spaces and parks, natural areas, historic areas, and farmland and forest preservation.

Like the Office of Farmland Preservation, this highly effective program leverages local and federal investment for natural resource conservation by paying no more than 50 percent of the cost of worthy projects. Grant applications to the VLCF program have consistently far exceeded available funds. Since FY 2000 over \$82 million of grants have been requested of the program while only \$28 million have been available. This represents a lost opportunity for the Commonwealth to capture more than \$50 million in federal, local, and private matching dollars for land conservation.

VLCF was allocated a total of \$4 million over the 2009-2010 biennium, and just half of that for the

2011-2012 bienniums. It is critical that funding at least revert to the FY10 level of funding for 2012 However, in order to meet program demand and best preserve Virginia's incomparable natural resources, the Commonwealth should move to invest \$30 million annually in the Virginia Land Conservation Foundation's grant program in coming years.

Bond Funding

While many funding alternatives exist for funding PDR programs and VLCF, one option is to authorize the issuance of new bonds to support these programs. Funding for land conservation represents a long lasting public investment that benefits current and future residents. Bonding ensures that current and future residents share the cost of providing those benefits. A series of bonds over a ten year period would provide reliable funding and demonstrate the Commonwealth's commitment to maximizing potential partnerships with localities and other conservation organizations.

In recent years, the Virginia Public Building Authority has been the state entity issuing bonds for land conservation undertaken by the Commonwealth. With nominal amendments to the Virginia Public Building Authority Act (Section 2.2-2260 of the Code of Virginia), the Virginia Public Building Authority could be provided the statutory authority to also fund VLCF and PDR programs with bond proceeds.

According to the Trust for Public Land, 23 statewide bond referendums have passed in the U.S. over the past ten years authorizing the use of over \$13 billion for land conservation. In Virginia, more than two-thirds of voters approved the Commonwealth of Virginia Parks and Natural Areas Bond Act of 2002, which included \$36.5 million for acquiring additional land for parks and natural areas and \$82.5 million for park upgrades and rehabilitation.

LAND CONSERVATION CONTACT

Heather Richards Piedmont Environmental Council 540.347.2334, ext. 23 hrichards@pecva.org

BATTLEFIELD PRESERVATION

Statement of the Issue

The Sesquicentennial Opportunity

Virginia's abundance of genuine history makes it one of the principal heritage tourism destinations in the United States. With 125 major Civil War battlefields scattered throughout the Commonwealth, its Civil War history ranks second to none. Whether they are Civil War buffs, history enthusiasts or casual visitors, tourists flock to Virginia's Civil War battlegrounds to achieve a great understanding of this critical chapter in the American story. The 150th anniversary of the Civil War provide the impetus for modest investments today to ensure that battlefields escape development and remain accessible to Virginians and tourists 150 years from now.

Background

Tourists Seek Authenticity: Virginia Delivers

The key to successfully courting heritage tourists is to preserve and enhance Virginia's rich and equally authentic Civil War legacy. According to the Virginia Tourism Corporation, visitors to the state's Civil War sites stay longer (3.6 nights versus 2.1 nights) and spend more money (\$311 per visit versus \$145 per visit) than the average visitor to the Old Dominion. They do so because they want to be in the places where our nation's Civil War history took place, and to walk in the footsteps of the Americans who fought and lived here. The Virginia Sesquicentennial of the American Civil War Commission, the best of its kind in the country, recognizes this connection between tourism and historic preservation, and has made battlefield conservation a major part of the state's 150th anniversary commemoration.

Despite the considerable progress that has been made over the last decade, the Civil War Preservation Trust (CWPT) believes there are nearly 50,000 acres of highly significant unprotected battlefield land in Virginia that could be preserved during the Sesquicentennial commemoration. Much of this land is located in Culpeper, Dinwiddie, Hanover, Henrico, Orange, Prince William and Spotsylvania counties, as well as in the Shenandoah Valley. Due to their location in growth areas, the fate of many of these vulnerable sites could be decided before the conclusion of the Sesquicentennial in 2015. Further, because they are centered on the I-95 cities of Fredericksburg, Richmond, and Petersburg in the east and the I-81 corridor in the Valley, these battlefields are readily accessible to millions of interstate travelers who currently pass through the Commonwealth without stopping.

Lasting Legacy of Sesquicentennial

The Virginia Civil War Sites Preservation Fund was created in 2006 for the purpose of awarding grants to private nonprofit organizations to preserve endangered Virginia Civil War historic sites. It is the result of bipartisan cooperation between the Governor and leaders in the General Assembly. Since the program's inception, its funding has helped to preserve more than 1,800 acres throughout the state. At \$2,800 per acre preserved, the Fund was a bargain for Virginia taxpayers, especially given that most of this land is in rapidly-developing, high-growth corridors. The Fund was formally codified in early 2010 by unanimous passage of legislation by both chambers of the General Assembly. Governor McDonnell joined with Speaker Bill Howell, Senator Edward Houck and Delegate Chris Peace to sign the bill into law on the Chancellorsville Battlefield, April 20, 2010.

A Public-Private Partnership for Preservation

Land conservation initiatives such as the Land Preservation Tax Credit program, purchase of development rights, and the Virginia Land Conservation Foundation are important tools for preserving battlefield land. The Virginia Civil War Sites Preservation Fund is a complement for those programs.

The fund is an excellent example of publicprivate partnership as it requires a 1-1 match in order for state funds to be expended—thereby increasing the return on the state's investment. The program provides funding for fee-simple acquisitions and conservation easements on priority Civil War battlefields in the Commonwealth.

Grants are competitively awarded by the Vir-

"By protecting these battlefields, we are also protecting wildlife habitats and water quality ... creating open space for community recreation [or] protecting valuable working farmland." –Virginia Secretary of Natural Resources

Douglas Domenech Chancellorsville, April 2010

ginia Department of Historic Resources to nonprofit organizations that can move quickly to preserve key unprotected properties, working with willing sellers. Nonprofit groups that have benefitted from the program are the Civil War Preservation Trust, the Central Virginia Battlefields Trust, the Richmond Battlefields Association, the Shenandoah Valley Battlefields Foundation, and the Trevilian Station Battlefield Foundation.

All signs indicate that the upcoming Sesquicentennial will draw to Virginia tourists from across the United States, hungry for the authenticity provided by our state's numerous well-preserved Civil War battlegrounds. By acting now to ensure that those remaining blood-soaked fields are set aside for posterity, we will also ensure that tourists to the Old Dominion—both those visiting for the Sesquicentennial and beyond—enjoy the same unparalleled experience.

Supporting the Chesapeake Bay and Preserving Farmland

As nearly all of the land protected by the Virginia Civil War Sites Preservation Fund is located within the Chesapeake Bay watershed, it delivers multiple benefits for the Bay's endangered natural resources

BATTLEFIELD PRESERVATION CONTACTS

| lim Campi | Jo |
|------------------------|----|
| Civil War Preservation | SI |
| Trust | E |
| 202.367.1861 | |
| campi@civilwar.org | 54 |
| | • |

John D. Hutchinson Shenandoah Valley Battlefields Foundation 540.740.4545 jhutch@svbf.net

BATTLEFIELD PRESERVATION RECOMMENDATIONS

To capitalize on the increased national attention the Sesquicentennial will bring to Virginia's battlefields, VCN member organizations propose that the Commonwealth adopt a "Virginia Civil War Sesquicentennial Initiative." Seizing this opportunity to save threatened battlefield land will enhance the tourism potential of the Commonwealth's Civil War resources.

The cornerstone for such an initiative would be the allocation of \$2 million a year for the successful Virginia Civil War Sites Preservation Fund in each of the next two fiscal years.

as well as Virginia taxpayers, farm landowners, and communities in the watershed.

Much of the preserved land remains in agricultural production as it was during the Civil War. For example, in the Shenandoah Valley, most of the 3,000 acres protected so far by the Shenandoah Valley Battlefields Foundation, the Civil War Preservation Trust, and other partners continues to contribute to the Valley's strong but threatened agricultural economy. Implementation of agricultural best management practices for this land ensures that adjacent waterways in the Bay watershed are protected. And key preserved sites will be opened to the public in the coming years to draw more visitors and educate future generations about our nation's history.

Protecting Virginia's irreplaceable battlefield land not only preserves touch points of our nation's history, it enhances water quality in our communities and in the most important estuary in the eastern United States, and it supports agriculture and tourism, Virginia's two largest economic drivers.

BIPARTISAN REDISTRICTING

Statement of the issue

A surge of interest has developed across Virginia regarding the redistricting process which will follow the 2010 U.S. Census. The current system for drawing legislative district lines promotes "partisan redistricting" which gives the party controlling the General Assembly the power to decide how districts get carved up. This system has taken decisionmaking out of the hands of voters and resulted in the extreme partisanship and gridlock that have prevented real progress on issues like renewable energy, land use and climate change, among many others. Shifting responsibility for redistricting to a bipartisan commission will increase electoral competition, increase responsiveness to conservation issues and spur the policy innovation that is so desperately needed in Virginia.

Background

Every decade, Virginia legislators convene to redraw the lines of our state's electoral districts. Traditionally, whoever has been in control of the General Assembly has dictated and controlled the process and drawn lines favorable to their own party. With the advent of powerful mapping technologies, these delegates and senators can now use computers to draw preferential, gerrymandered, or "safe," districts to a degree never before seen (only 17 of 140 seats saw competitive elections in 2007).

Allowing representatives to determine whom they represent inverts the very purpose of democ-

The current system for drawing legislative district lines promotes "partisan redistricting" which gives the party controlling the General Assembly the power to decide how districts get carved up.

BIPARTISAN REDISTRICTING RECOMMENDATIONS

As redistricting moves forward, Virginians deserve the following:

- Fairly drawn district lines to create more competitive elections, which have 51 percent higher voter turnout. Virginia needs competitive elections to remain at the forefront of the nation.
- Districts should reflect our communities. District boundaries should be compact, keeping communities together.
- Allow public submissions and input into the design process. Citizen input will instill a greater sense of fairness and accountability into the process.
- Incumbent protection should not be a determining factor. Citizens should have the choice to select their elected officials.

ratic voting. Districts drawn according to political affiliations typically cut through geographic features, dividing communities and representational interests. By drawing "party stronghold" districts, real electoral decisions are moved from general elections to primaries, where as few as one percent of eligible voters decide who wins.

Seven states have placed redistricting in the hands of non-partisan commissions in an effort to strengthen the integrity of their political process. In Iowa such commissions pass committee-designed maps without much deliberation, signaling broad approval of the process, and further bolstering public confidence in the system. To remedy these issues in Virginia, the General Assembly should institute bi -partisan redistricting.

In 2009, a coalition brought together faith, business, conservation and civic organizations began to promote reform of Virginia's redistricting process. Political momentum grew tremendously, gaining the support of then-Governor Tim Kaine, Lt. Gov.

BIPARTISAN REDISTRICTING CONTACT

Lisa Guthrie Virginia League of Conservation Voters 804.225.1902 Iguthrie@valcv.org Bolling, several former governors, the entire State Senate, and many community leaders. In addition, as a candidate, Gov. Bob McDonnell publicly stated for a bi-partisan redistricting process.

CITIZEN BOARDS

Statement of the Issue

The three citizens boards charged with safeguarding Virginia's environment—the Water Control Board, the Air Pollution Control Board, and the Waste Management Board—represent all of us. The Virginians who serve on these boards stand in our shoes when making important decisions about managing the state's natural resources.

During the 2007–2008 General Assembly session, the Virginia Chamber of Commerce pushed for legislation to abolish the citizen boards. Citizens were successful in defeating those efforts. In 2010, Gov. McDonnell's Commission on Government Reform and Restructuring developed criteria to help identify extraneous boards. The state's environmental boards clearly did not meet the criteria, as they play a direct and significant role in the regulatory process. Nevertheless, some industries have seized the opportunity to once again call for the elimination or consolidation of these citizen boards. The most common proposal seeks to create a single Virginia Board of Environmental Quality charged with promulgating regulations but not with direct oversight of the permitting process. This proposal would also assign to Department of Environmental Quality the responsibility for issuing permits and enforcing regulations, thus placing excessive power in the hands of a single appointee (the agency's director).

Virginia Conservation Network remains opposed to this concept, and the network's affiliated organizations must remain involved in these ongoing debates.



Background

In 2007 and 2008 bills were introduced to eliminated Virginia's three citizen boards, creating one consolidated board with no any authority to issue or deny permits. One chief concern was that the consolidated board would turn into a rubber-stamp for industry.

Initially, lobbyists representing the Virginia Chamber of Commerce, specific industry members, and then-Governor Kaine, supported this legislation. Other industry organizations opposed the legislation, voicing concerns about placing all permitting authority in the sole control of a DEQ Director. Because of its impact on public participation, VCN vigorously opposed it.

VCN groups participated in a DEQ stakeholder process. Both sides were willing to negotiate, but no consensus was reached on a solution. The General Assembly ultimately sided with citizens, maintaining the three citizen boards with only minor changes. This resolution enjoyed bipartisan support because lawmakers recognized the important role these boards play in environmental permitting.

Permitting decisions are best made in full public view.

As it stands, Virginia's citizen boards meet in public, deliberate in public, and cast their up-or-down votes in public. Abolishing the existing citizen boards would be a grave mistake. It would mean that final permitting decisions on significant permits would be negotiated between the applicant and DEQ behind closed doors. The public would be limited to submitting comments to DEQ without knowing whether or how those comments were considered in the permitting decision.

Currently, less than one-percent of permits are heard by the boards. Most permit applications proceed without controversy within DEQ. But we must preserve Virginia's longstanding commitment to open government, and encourage direct, public participation on the most significant permitting issues affecting the Commonwealth.

Environmental laws are complex.

Environmental decisions involve everything from the procedures for handling medical waste, to the feasibility of emissions controls on power plants, to the total maximum daily loads of a pollutant into Virginia's waterways. It's impractical to expect one consolidated board to tackle such a broad range of

CITIZEN BOARD CONTACTS

- Cale Jaffe Southern Environmental Law Center 434.977.4090 cjaffe@selcva.org
- Nathan Lott Virginia Conservation Network 804.644.0283 nathan@vcnva.org

CITIZEN BOARD RECOMMENDATIONS

For decades, Virginians have benefited from the tradition of citizen representation on the air, waste, and water boards. VCN stands strong in opposing efforts to abolish the existing citizen boards. We are committed to preserving the right for meaningful Board review for permits of significant interest.

topics. A consolidated board would likely rubberstamp regulations they don't fully understand.

Maintaining three separate boards—focusing on air, waste, and water—allows board members to delve into the details of the questions before them.

The current boards ensure that no one region of the state dominates the process.

Our citizen boards include members from across the Commonwealth—Southwest, Southside, and Hampton Roads. Taking permitting decisions away from our boards would mean that decisions would often be made bureaucratically, far away from the communities most acutely affected.

Citizen Boards provide consistency in permitting decisions.

Members of the citizen boards are nominated by the Governor and confirmed by the General Assembly for four-year terms. Appointments on the boards are staggered, such that no single governor can replace all of the members of a given board. Rather, it takes at least two terms for membership on a board to turn over. This provides consistency in decision making, and helps insulate the boards from political pressures. We must preserve Virginia's longstanding commitment to open government, and encourage direct, public participation on the most significant permitting issues affecting the Commonwealth.

The current system works.

In 2004, the Air Board scrutinized a proposal by Competitive Power Ventures, Inc. to construct a power plant within five miles of Shenandoah National Park. Board meetings presented a forum where all sides were able to engage in dialogue. The Board considered improvements to the permit supported by both the public and the company, but not recommended by DEQ staff. In the end, the Board approved the power company's permit, while also making it one of the most protective of air quality in the nation.



HEALTHY RIVERS

Clean Water for People and Wildlife

VIRGINIA AND THE CLEAN WATER ACT

Statement of the Issue

While the Clean Water Act establishes the states as the primary guardians of America's streams and rivers, it also provides for multi-state collaboration to restore our largest waterways. For example, the water (and pollution) in the Chesapeake Bay comes from six states and the District of Columbia; all of that water will eventually flow through Virginia on its way to the Atlantic Ocean. A succession of Virginia governors has recognized that a multilateral approach is the best way to protect Virginia's multibillion-dollar fishing and tourism industries.

The precedent setting "pollution diet" (or Total Maximum Daily Load) for the Chesapeake Bay is the latest phase in this multilateral approach. This regional pollution diet is to be made up of state-based plans. Virginia was charged with developing its own cleanup plan to manage our own pollution levels, just as the other jurisdictions are in charge of their own plans. Each state plan is called a Watershed Implementation Plan (WIP) and ours details pollution cuts and enforcement provisions for rivers including the Shenandoah, Rappahannock, York and James.

Success now hinges on Virginia's lawmakers and regulators, who must provide the funding and enforcement necessary to execute the plan.

Background

The 1970s and 1980s

The history of the Clean Water Act is intertwined with that of Chesapeake Bay. In 1972, Hurricane

Agnes ripped across the Mid-Atlantic, flushing pollution and sediment into the Chesapeake river system. As this dirty water flowed through Virginia, it decimated an ecosystem already compromised by pollution. As underwater grasses died off, the crabs and fish that depended on them for food and shelter disappeared, too.

Also in 1972, the U.S. Congress passed the Clean Water Act (officially the "Federal Water Pollution Control Amendments of 1972") with a wide margin of support. The law established state-administered permits as a means of controlling the pollution then choking America's waterways. These state permitting programs were predicated on attaining water quality standards set by the states themselves. States like Virginia went after the biggest polluters first, greatly reducing the pollution being dumped into rivers by requiring that industrial facilities use the "best available technology." The Clean Water Act's technologybased limits established a level playing field for industry.

The Clean Water Act was amended in 1977 to establish a permit process for wetlands and to better protect Americans from a growing list of toxic substances. Yet by 1983, when the original bill had sought to achieve rivers fit for human recreation. many of America's waters will still not "fishable and swimmable." That same year, the Environmental Protection Agency released a congressionallycommission report titled Chesapeake Bay: A Framework for Action. The report identified nitrogen and phosphorus as the primary pollutants in the Chesapeake river system, citing polluted runoff from farms and cities in addition to wastewater treatment. The Chesapeake Bay Agreement of 1983 was signed later that year, establishing the state-federal Chesapeake Bay Program.

The Clean Water Act was amended again in 1987, two years after the original bill was predicted to fully restore America's rivers. The subject of those amendments was the lingering cause of dirty rivers nationwide: polluted runoff. The state-administered permit system was expanded to include stormwater from cities and industrial sites. Congress established the Clean Water State Revolving Fund to help states pay for improvements to wastewater treatment and to storm sewers; as a result, Virginia cities and counties have received \$2.5 Billion in financial assistance over the past 23 years. Also in 1987, Chesapeake region Governors signed the *1987 Chesapeake Bay Agreement*, which included specific quantitative goals and commitments to reduce nutrient pollution to the Chesapeake by 40 percent by 2000.

In order to assess progress toward the goal of healthy streams, the Clean Water Act requires that states inventory waterways and assess their water quality. These lists, known as 303d lists, classify waterways as impaired, threatened or healthy. Healthy waters are those that support aquatic life, allow human recreation and fish consumption, and safely supply drinking water. Virginia's 2010 draft report found 12,103 of the 17,740 stream miles assessed, or 68 percent, were impaired. The impairment of lakes (85 percent) and estuaries like Chesapeake Bay (95 percent) was even higher. The report adds 1,361 river miles to the impaired list while recommending that 1,524 river miles be fully or partially delisted.

In most cases, those waters that have been restored to "fishable, swimmable" standards have been the subject of a TMDL. The Clean Water Act established the TMDL, or Total Maximum Daily Load, as means whereby states determine how much pollution a stream or river can safely tolerate. After setting science-based "maximum loads," states can adjust permits accordingly and communities can develop plans to address non-permitted runoff pollution. These Watershed Implementation Plans (WIPs) are critical to any TMDL because they raise community awareness, inform local land use and code enforcement, and help nonprofits and local governments attain funds for projects that reduce runoff pollution.

The 1990s and 2000s

In 1998, a lawsuit filed by the American Canoe and American Littoral Society alleged that Virginia had done too little to assess waterways and prepare TMDLs thus the federal Environmental Protection Agency (EPA) was compelled to intervene. An impaired-waters list was prepared, and the lawsuit was settled with a consent agreement in the Federal Eastern District of Virginia in, 1999. Under the terms of the agreement, Virginia was to complete



TMDLs for the impaired rivers by May 1, 2010.

This deadline was foremost in the minds of Virginia's leaders when the time came to renew the multistate-federal restoration compact. The Chesapeake 2000 agreement, signed in June of 2000, established the goal of restoring the Chesapeake and removing it from the impaired waters list by 2010. Congress soon allocated \$40 million per year to staff the Chesapeake Bay Program, and both New York and Delaware signed on to the compact (West Virginia followed in 2002).

Pursuant to Chesapeake 2000, Virginia drafted Tributary Strategies, which laid out in detail steps needed to restore major rivers such as the Shenandoah, Rappahannock, York and James. The state made significant progress on some goals, including wastewater treatment plant pollution limits and voluntary land conservation. However, the amount of polluted runoff from developed land continued to increase over the decade. In 2007, the region's governors acknowledged that the Chesapeake Bay would not meet clean water standards by 2010. Chesapeake Bay Program staff later revealed that at the current pace nitrogen pollution would not drop to healthy levels until 2034; phosphorus reductions would take until 2050.

CLEAN WATER RECOMMENDATIONS

Clean water should be the birthright of every Virginian. Unfortunately, our waters are suffering the cumulative effects of pollution from lawns, farms, and cities. Polluted runoff carries animal waste and bacteria into streams. It erodes stream banks, degrading habitats and increasing the risk of flooding. Aging storm sewers and sewage treatment plants overload rivers like the James with nitrogen, creating vast algae blooms.

The TMDL for Chesapeake Bay represents an unparalleled opportunity to apply the lessons of past successes to the lingering problems of polluted runoff and aging infrastructure. By approaching the process with resolve, Virginia can achieve the fishable, swimmable rivers envisioned by the Clean Water Act. It is imperative that state lawmakers:

- Allocate sufficient funding to ramp up agricultural best management practices, beginning with at least \$40 million in 2011 and \$100 million goal.
- Assist local governments in retrofitting wastewater-treatment plants and storm-sewer systems (e.g., through the Water Quality Improvement Fund) and maintain hard caps on nutrient pollution in all rivers.
- Support timely implementation of state stormwater regulations that require development to use the best available technology and provide flexibility through use of green infrastructure.
- Ban phosphorus in commercial lawn fertilizer, because it is unnecessary for healthy turf and a current source of runoff pollution.

These pollution-reducing activities are critical to restoring the value of our rivers.

Today

In June, 2008, the Principals' Staff Committee of the Chesapeake Bay Program (which includes administration representatives from all six watershed states and the District of Columbia as well as state lawmakers via the Chesapeake Bay Commission) formally requested that EPA accelerate the Chesapeake TMDL to take effect no later than December 31, 2010. A lawsuit brought by Chesapeake Bay Foundation subsequently yielded a federal court consent decree that binds the agency to completing

CLEAN WATER CONTACT

Nathan Lott Virginia Conservation Network 804.644.0283 nathan@vcnva.org the Chesapeake TMDL no later than May 1, 2011. This set the TMDL in motion. The Chesapeake Bay Program was tasked with developing pollution limits for each river in the system, and it was left to states to develop companion Watershed Implementation Plans.

During the summer of 2010, Virginia convened a diverse Stakeholder Advisory Group representing agriculture, commercial and recreational fishing, local government, manufacturing and water and sewer utilities. The group held several public meetings and identified numerous strategies that could be included in Virginia's Watershed Implementation Plan for Chesapeake Rivers. However, the WIP submitted in September 2010 was woefully short on specifics. The plan relied on an as-yet-undeveloped nutrient trading program to achieve reductions in agricultural runoff pollution. It called for an "e3" approach to urban and suburban runoff pollution (everything, everywhere, by everyone) but failed to identify a funding source, raising questions of how local governments will attain the standard. It sought to achieve significant reductions in agricultural runoff through nutrient management planning and stream fencing, but failed to identify funding streams for cost-share and technical assistance.

AGRICULTURAL BMPS

Statement of the Issue

Farm runoff contributes nearly a third of the excess nitrogen and phosphorus pollution to Virginia rivers and the Bay. Fortunately, proven conservation techniques, also called best management practices (BMPs), can prevent this runoff from leaving fields and entering surface and ground waters. The state has identified five priority practices that could achieve nearly 60 percent of the needed runoff reductions.

Though many Virginia farmers use BMPs, the sometimes substantial cost of implementing them is a major barrier to widespread use. State and federal cost-share programs exist to help farmers pay for conservation practices, but historically such pro-



grams have been significantly under-funded. Every year, many Virginia farmers who apply to participate in state cost-share programs are turned away because of a shortage of funds.

Background

Virginia in recent years has made great strides toward reducing point source nutrient pollution by developing regulatory programs and providing close to \$1 billion to upgrade local wastewater treatment plants. These actions should reduce nitrogen pollution by at least 4 million pounds annually. However, to achieve Virginia's water quality goals and remove the Bay from the impaired waters list, great effort also is needed to reduce nonpoint sources of excess nitrogen, especially runoff from farmland.

Agricultural runoff accounts for much of the nutrient excess entering Virginia's rivers and the Chesapeake Bay (approximately 31 percent of the nitrogen and 36 percent of Virginia's phosphorus load). Farm BMPs, can prevent nitrogen and phosphorus from reaching surface and ground waters. The Virginia Department of Conservation and Recreation has identified five priority practices that, if used on farms throughout Virginia's part of the Bay watershed, could achieve nearly 60 percent of the needed runoff reductions. These priority BMPs are nutrient management plans, forest and grass riparian buffers, stream bank fencing to block livestock access, cover crops, and continuous no-till.

Across the Commonwealth, farmers actively seek to adopt these best management practices, and many have already done so. However, installation and technical assistance costs are major barriers. Unlike other regions of the country dominated by large agricultural production operations, the average Virginia farm size is 181 acres, and the average annual farm income is about \$49,000 per year. Given

AG BMP CONTACTS

J.R. Tolbert Sierra Club 804.225.9113 xtn. 112 jr.tolbert@sierra club.org Patrick Felling Potomac Conservancy 540.667.3606 felling@potomac.org

AG BMP RECOMMENDATIONS

The Commonwealth should make a strong financial commitment to the state's water quality goals and to the farming community by fully funding agricultural cost-share needs. This means allocating at least \$40 million in 2011 and \$100 million goal.

While future funding may materialize from federal sources and a proposed nutrient trading regime, near-term investments are crucial for bridging the gap and scaling up agricultural BMPs in keeping with the state's 15-year Watershed Implementation Plan. Similarly, the technical assistance role funded by the state is critical to leveraging landowner willingness.

The future of agriculture in Virginia and the future of the Commonwealth's Chesapeake Bay rivers are inextricably linked. We cannot afford to continue to turn away or discourage farmers from being good stewards of their land and the Commonwealth's waters. If we provide this much needed help, farmers can help us all restore our rivers, streams, and estuaries.

"Historically state cost-share programs have been funded only when there is a budget surplus. But farmers are expected to protect water quality in good years as well as bad, and Virginians need clean water every day.

the inherent risks associated with farming (weather, commodity prices, etc.), farmers do not always have a predictable income; one year's profits may cover future years when the farm operates at a loss.

State and federal cost-share programs that help farmers pay for conservation practices have been significantly under-funded. For example, one of every three Virginia farmers applying for state and federal cost-share are turned away because of a lack of funds. Widespread awareness of this significant state funding shortfall discourages may farmers from applying for cost-share assistance.

Historically state cost-share programs have been funded only when there is a state budget surplus. But farmers are expected to protect water quality in good budget years as well as bad, and Virginians need clean water every day. For the last two years, the governor and the General Assembly have provided an additional \$20 million for agricultural costshare programs. Unfortunately this only covers approximately one-fifth of the \$100 million needed each year for the program. State cost-share programs must be consistently and adequately funded every year.

POINT SOURCE POLLUTION

Statement of the Issue

Nitrogen and phosphorus pollution ("nutrient pollution") is the most serious problem facing the Chesapeake Bay and its tributaries. Excess nutrients can trigger algal blooms that are both unhealthy and unpleasant, and the decay of dying algae can deplete the dissolved oxygen in the water, making it into a 'dead zone' where fish and other aquatic organisms cannot survive. Excess nutrient pollution also can degrade local water quality in rivers, creeks, and streams across the Commonwealth. Virginia has committed to reducing this pollution in its Chesapeake Bay rivers. One major component of Virginia's 15-year Watershed Implementation Plan is reductions from point sources of pollution, such as sewage

POINT SOURCE RECOMMENDATIONS

The General Assembly should not act to increase current nutrient caps or otherwise circumvent the restoration of state waters. Increased nutrient discharges will simply prolong the destruction of economies and communities that rely upon healthy water. Additionally, any legislation that erodes the authority of DEQ and the State Water Control Board to administer the regulatory programs designed to restore the Bay and its rivers should be opposed. Indeed, DEQ will likely have to rein in on the discharges to the lower James River by sewage treatment plants in the Tidewater area if we are to have a chance of restoring the Chesapeake and the James.

treatment plants, which discharge directly into waterways. Some current pollution limits are based on science in the interest of protecting the Chesapeake and its rivers and streams; those limits should not be increased. Other limits are based on politics; those might have to be reduced.

Background

Nitrogen and phosphorus become pollution when waterways receive too many nutrients from point sources (municipal and industrial wastewater treatment facilities, runoff from urban areas and construction sites) and nonpoint sources (farm runoff, septic systems, and air deposition). Symptoms of nutrient pollution include dangerous algae blooms, oxygen-starved "dead zones," fish kills, dwindling underwater grasses, closed beaches, and dwindling fisheries. Watermen, fishing guides, and local communities that rely on clean water are suffering because of this type of pollution. Wastewater treatment facilities are the source of one-third of the nutrient pollution that flows into our local streams and ultimately reaches the Bay and its tributaries.

In 2000, the Commonwealth of Virginia committed to reducing annual nitrogen and phosphorus

POINT SOURCE CONTACTS

Mike Gerel Chesapeake Bay Foundation 804.780.1392 mgerel@cbf.org Dan Holmes Piedmont Environmental Council 571.213.4250 dholmes@pecva.org pollution from wastewater facilities to levels necessary to restore the Chesapeake Bay and its tributaries and to make those reductions by January 1, 2011. To do so, the Commonwealth developed sciencebased pollution limits (or "caps") for each river basin and allocated specific limits for every large wastewater discharger. Additionally, a market-based nutrient trading program was created to give dischargers multiple compliance options. On top of all this, Virginia has authorized nearly \$1 billion in clean water grants and loans to help dischargers achieve their allocated nutrient pollution caps.

Right now these programs are working, though their application may have to be expanded. Many nutrient dischargers have undertaken the necessary steps to meet their permit limits by 2011. Virginia has reduced nitrogen pollution from wastewater treatment plants by 4 million pounds since 2000. Ultimately, Virginia is poised to achieve its point source nutrient reductions by the January 1, 2011 deadline. However, it now appears that a five-yearold agreement letting treatment plants on the lower James River escape the reductions may have been overly optimistic; we may have to require greater reductions on those Tidewater sewage treatment plants, in addition to other reductions that have already been achieved or are in the pipeline.

Unfortunately, some dischargers have fought any effort to tighten nutrient pollution limits despite access to several flexible and reduced-cost compliance options. Should the General Assembly increase nutrient limits for any one of these facilities, the Commonwealth will fail to meet its promise to cap nutrient discharges at levels necessary to restore the Chesapeake Bay and its tributaries. Moreover, any effort to weaken nutrient pollution caps for wastewater facilities will potentially place greater nutrient reduction responsibilities on farmers.

STORMWATER POLLUTION

Statement of the Issue

Progress made cleaning up Virginia's rivers and the Chesapeake Bay is being undercut by stormwater pollution—the pollution that runs off of our urban and suburban communities when it rains. This runoff erodes streams and carries excess nitrogen, phosphorus and other pollutants. In 2008-2009 an improved stormwater management program was established by the Department of Conservation and Recreation (DCR) that will allow Virginia to better



Source: Chesapeake Bay Foundation

accommodate both future urbanization *and* healthy waters. In 2010, the General Assembly delayed the implementation of those standards at the request of local governments; later that year, the administration of Gov. Bob McDonnell pledged substantial reductions in stormwater runoff as part of Virginia's 15-year Watershed Implementation Plan for Chesapeake Bay rivers. The stakeholder group convened to help develop the plan identified a ban on phosphorus in lawn fertilizer as "low hanging fruit." On lawns in Virginia, phosphorus has a negligible benefit (hence some companies have voluntarily removed it from their fertilizer products). When carried into streams in the spring or summer, however, it can feed the algae blooms that kill fish and crabs.

Background

Stormwater comes from rain and snowmelt that runs off rooftops, driveways, streets, construction sites, and other hard or "impervious" surfaces and lawns that make up urban and suburban development. Development disrupts the natural features of the landscape by removing vegetation, compacting soil, and preventing rainwater from soaking into the ground. This allows stormwater to quickly flow into waterways where it:

- Introduces harmful pollutants, including sediment, nutrients, bacteria, pesticides, and metals;
- Blocks sunlight that underwater grasses need to survive;
- Reduces oxygen and water clarity required by fish, crabs, and other aquatic life;
- Smothers insect larvae, fish eggs, oysters, and other bottom-dwellers;
- Damages stream banks, navigation channels, and drinking water reservoirs; and
- Harms seafood and tourist industries, property values, public health, and adds to cleanup costs.

Recent reports show that efforts to clean the Chesapeake Bay and its tributaries are losing ground specifically because increased stormwater pollution is *offsetting progress* being made from other sources (see Figure 1).

Roughly 25 percent of nutrient and sediment pollution to the Bay is from developed lands—a 15 percent increase since 1985. Approximately 1,570 stream miles in the Bay watershed are polluted because of stormwater.

Unless corrected, stormwater problems will only get worse if land development in the watershed con-

STORMWATER CONTACT

Mike Gerel Chesapeake Bay Foundation 804.780.1392 mgerel@cbf.org

STORMWATER RECOMMENDATIONS

Oppose any legislative proposals that seek to rescind, weaken, or delay the recent improvements to Virginia's stormwater program and the attendant pollution reductions that are necessary to restore and protect water quality. It is time to move forward with stormwater standards that better protect streams and offer localities and developers greater flexibility in the use of cost-effective green infrastructure.

Ban the use of phosphorus in commercial lawn fertilizer. Phosphorus is not necessary for healthy turfgrass given Virginia's soil and climate. When it mixes with stormwater and runs into streams, however, the phosphorus from lawn fertilizer becomes a damaging pollutant. Major fertilizer suppliers have voluntarily begun to remove phosphorus from their products, demonstrating that an outright ban is not onerous. Homebuilders and conservationists have agreed that this is "low-hanging fruit" in the effort to restore Chesapeake Bay rivers.



tinues to outpace population growth—as it did by five times from 1990 to 2000!

For over three years the Commonwealth has been working to update and improve its stormwater management regulations. In particular, regulations developed by an expert committee were proposed in June 2009 that would address completed residential and commercial developments ("postconstruction regulations") that are a vast improvement over existing programs. Those improvements include:

• A "no net impact" in phosphorus pollution standard for newly development lands.

- Requirements to better manage stormwater discharge speed and volume that will prevent stream channel erosion, sedimentation, flooding, and property damage.
- Incentives for use of Low Impact Development (LID) techniques that promote preservation of native vegetation, soaking rainwater into the soil, and water recycling.
- New provisions that are based on the most current science, are fully attainable on site, and are consistent with Virginia's water quality goals and commitments.
- Flexibility for developers and localities to obtain pollution reductions "off site" to ensure that compliance costs are not viewed as excessive or an incentive for urban sprawl.

Improved stormwater regulations will save money long-term by capturing the true "lifetime" costs of development up front, preserving benefits to sectors of the economy that rely on clean water, decreasing pollution mitigation costs, and lessening the burden on communities and citizens that are disproportionally affected by stormwater pollution.

Lastly, while no substitute for improved standards, the effect of better stormwater regulations can be magnified by a reduction in the amount of nutrients on the ground before it rains. A ban on phosphorus in lawn fertilizer would achieve this with minimal impact on consumers and industry. Some producers have already adopted a phosphorus -free policy voluntarily.

URANIUM MINING

Statement of the Issue

There are many questions surrounding the safety and wisdom of uranium mining and processing in Virginia. As two, state-commissioned studies go forward; the Virginia Conservation Network maintains its opposition to lifting the current ban on uranium mining, which has been in place since 1982. The burden is on the studies to prove that it can and will be done safely under the conditions found in Virginia.

Of paramount concern is safeguarding water quality for downstream metropolitan areas such as Virginia Beach. Protecting the agricultural history and natural beauty of rural Virginia, is also a vital consideration. If the ban is lifted and new regulations are in place, there will be pressure to mine sites throughout Virginia, including sites north of Charlottesville and west of Richmond. There might also be pressure to mill uranium in Virginia, using ore that has been mined in states without milling regulations.

The pressure to lift the ban today is *not* driven by any major advances in safety or mining technology. It is driven solely by a ten-fold rise in the price of uranium. The techniques for mining and milling are virtually unchanged from the last time the state considered this issue, roughly thirty years ago.

Background

A ban on uranium mining and milling was imposed in the early 1980s, while Virginia officials were undertaking a study of uranium mining. That study was costly, time-consuming, and divisive. It failed to consider several Virginia-specific questions, and that failure, as noted by dissenting study committee member Elizabeth Haskell, marred the study's conclusions. The Commission made no recommendation on lifting the moratorium and the General Assembly and Governor did nothing to lift it.

In 2008, pressure to lift Virginia's ban resurfaced, as the global price of uranium rose. With leadership from VCN, the General Assembly rejected a bill that would have fast-tracked efforts to lift the moratorium. Following that legislative action, the Virginia Commission on Coal and Energy decided to initiate new studies on uranium mining and milling. It appointed a Uranium Mining Subcommittee to work with Virginia Center for Coal and Energy Research at Virginia Tech to negotiate a contract with the National Research Council (NRC) of the National Academy of Sciences. The purpose of the NRC study presumably is to determine whether uranium mining, milling, and waste disposal in Virginia can be undertaken in a manner that will safeguard the Commonwealth's environment, natural and historic resources, agricultural lands, and the health and well-being of its citizens. As noted by Delegate Terry Kilgore, Chairman, Coal and Energy Commission: "We need to leave no stone unturned on this. If it's not safe, we don't want to do it."



The NRC held its first open sessions on October 26 and 27, 2010 and November 15 and 16 in Washington, D.C. Open sessions are scheduled for December 13-15 in the Danville area, and February 2011 in Richmond. Other public sessions are scheduled for Denver and Saskatchewan in April and June. The NRC expects to have a pre-publication

URANIUM MINING CONTACTS

- Todd Benson Piedmont Environmental Council 540.347.2334 tbenson@pecva.org
- Cale Jaffe Southern Environmental Law Center 434.977.4090 cjaffe@selcva.org

URANIUM MINING RECOMMENDATIONS

Neither the Coal and Energy Commission nor the General Assembly should consider legislation or recommendations to lift Virginia's existing ban on mining and milling until all studies are finalized and the NRC peer-review process is complete. Any bill introduced during the 2011 or 2012 sessions would be opposed, as that would be before the finalization of all relevant studies. In the meantime, both the NRC study and the proposed socio-economic study must be made available for adequate and thorough public review and comment, throughout the development of those studies.



draft of its report completed by December 2011. This pre-publication draft would then be subjected to peer-review and circulated for public comment. A final report to the General Assembly would not be finished until December 2012.

In addition to the NRC report, the Uranium Mining Subcommittee is chartering a second, separate study on the socio-economic impacts of uranium operations. This study will consider, among many other factors, the costs to communities if there is a major environmental catastrophe linked to uranium mining or milling. The Subcommittee has requested proposals from third-party firms to conduct this study. Finally, two other independent studies are ongoing: one by the Danville Regional Foundation, and the other by the City of Virginia Beach, which is particularly concerned about the threat uranium mining would pose to drinking water supplies from Lake Gaston.