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April 9, 2018

Ms. Karen G. Sabasteanski  
Virginia Department of Environmental Quality  
1111 East Main Street, Suite 1400  
Richmond, VA 23218  
Email: [karen.sabasteanski@deq.virginia.gov](mailto:karen.sabasteanski@deq.virginia.gov)

RE: State Air Pollution Control Board, Proposed Regulation 9 VAC 5-140, Regulation for Emission Trading Programs (adding 9 VAC 5-140-6010 through 9 VAC 5-140-6430)

Dear Ms. Sabasteanski,

The U.S. Green Building Council (USGBC) thanks Governor Northam and the Department for your leadership in moving the Commonwealth forward on the path towards a clean energy economy. Your administration's efforts towards regulating carbon emissions from the power sector are essential to reduce our collective contribution to climate change, responding to the biggest threat to Virginia's future prosperity. We write to offer support for and several specific comments related to the proposed regulation.

About USGBC

USGBC is a nonprofit organization dedicated to transforming the way buildings and communities are designed, built and operated, enabling an environmentally and socially responsible, healthy, and prosperous world that improves the quality of life for all.<sup>1</sup> Best known for the successful Leadership in Energy & Environmental Design (LEED) green building certification system, we leverage our education, credentials, events, communications, and policy advocacy activities to support the public and private sectors in advancing high-performance, cost-effective, green buildings that save energy, water and money. Reducing the contribution of buildings to climate change has long been a core area of our work along with a focus on supporting community resilience.<sup>2</sup>

The enclosed brief provides highlights of our engagement in Virginia; notably, the Commonwealth is home to nearly 1,300 LEED certified projects encompassing 162 million square feet of commercial, residential, healthcare, educational, retail and public space. Virginia is also home to over 100 USGBC member organizations encompassing architecture and engineering firms, product manufacturers, realtors, contractor and building companies, educational institutions and government agencies, as well as nearly 5,300 individual members.

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<sup>1</sup> See <https://new.usgbc.org/about>.

<sup>2</sup> See selected resources at <https://www.usgbc.org/education/sessions/learning-pathway-road-resilience-11313345>.



## Comments

On behalf of our member organizations and credentialed professionals in Virginia, we support the proposed Regulation for (Carbon) Emission Trading Programs.

To optimize this opportunity to reduce our collective contribution to greenhouse gas emissions from power use, we offer the following specific comments:

1. We agree with the proposal to link Virginia's power generators carbon emission cap with the Regional Greenhouse Gas Initiative ("RGGI"), creating opportunities for cost and resource reduction.
2. DEQ should reconsider the initial 2020 emissions baseline to ensure it meets the established objective of capping emissions. First, the proposed Version 1 baseline of 33 million tons is *higher* than the 2017 carbon emissions of 31.2 million tons, while our energy productivity – the economic output per unit energy – is increasing. These data suggest that a lower baseline will be more successful at driving reductions. Second, subsequent to DEQ projections underlying the proposed baseline, the Virginia General Assembly passed SB 966 and it was signed into law. This law sets forth policies for significant renewable energy production and energy efficiency investment,<sup>3</sup> which could affect the baseline generation from affected fossil fuel power plants and hence their carbon emissions.
3. We recommend DEQ include and increase the amount of the proposed 5 percent set aside for the Virginia Department of Mines Minerals and Energy (DMME) "to assist the Department for the abatement and control of air pollution, specifically, CO2." Such set aside funds are critical to expand DMME programs, which for some sectors are the primary potential source of energy efficiency assistance given the State Corporation Council (SCC) limitations on efficiency programs, as indicated most recently in the SCC staff recommendations rejecting certain utility proposed residential energy efficiency programs.<sup>4</sup>
4. In addition, the majority of the set aside for DMME should be targeted at abatement and control approaches that most directly benefit low and moderate income persons and residential areas disproportionately affected by air pollution.

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<sup>3</sup> For example, SB 966 establishes deemed public interest for 5000 MW of renewable energy (solar and wind), and includes provisions increasing the potential investment in energy efficiency projects to over \$1 billion, along with alleviating improvement to energy efficiency tests.

<sup>4</sup> See State Corporation Commission, Petition of Appalachian Power Company, docket at <http://www.scc.virginia.gov/docketsearch#caseDocs/137779>. The staff report earlier this year rejected all of the utility's proposed residential programs, including the multi-family program. This includes:

- 1) the Residential Bring Your Own Smart Thermostat Program (a peak shaving program);
- 2) the Residential Multi-Family Direct Install Program;
- 3) the Residential eScore Program;
- 4) the Residential Efficient Products Program; and
- 5) the Residential Appliance Recycling Program.

These programs would have benefitted all residential customers including low and moderate income households.



It is well established that disadvantaged and poorer populations are disproportionately impacted by air pollution, including traditional pollutants such as particular matter. Focusing DMME programs on these populations is therefore appropriate. Moreover, DMME programs aimed at increased efficiency in low and moderate households have a co-benefit of reducing their vulnerability to electricity rate increases.

The regulation should provide for DMME to actively seek public and stakeholder input on its planned use of the set aside including how the proposed use benefits the targeted populations and areas. DMME and DEQ should study and monitor potential impacts of the regulation on low and moderate income households, and periodically report findings to the public.

Thank you again for your leadership and commitment to our shared goal to protect and enhance the future economic health and resilience of Virginia by enabling participation in carbon trading to reduce the Commonwealth's contribution to global warming. We thank you for the proposed regulation, and urge timely adoption of the regulations after consideration of public comments.

Should there be any questions regarding our comments, please contact me at (571) 970-7916 or [ebeardsley@usgbc.org](mailto:ebeardsley@usgbc.org), or Cindy Zork, Director – Community Advancement, at [czork@usgbc.org](mailto:czork@usgbc.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Elizabeth Beardsley".

Elizabeth Beardsley, P.E.  
Senior Policy Counsel  
U.S. Green Building Council

cc: Cindy Zork, Director, Community - Virginia



# A PROSPEROUS, HEALTHY AND SUSTAINABLE FUTURE

## ABOUT USGBC

The U.S. Green Building Council (USGBC®) is committed to a prosperous and sustainable future through cost-efficient and energy-saving green buildings.

USGBC works toward its mission of market transformation through its LEED® green building program, robust educational offerings, an international network of local community leaders, the annual Greenbuild International Conference & Expo, the Center for Green Schools and advocacy in support of public policy that encourages and enables green buildings and communities.

LEED, or Leadership in Energy and Environmental Design, is a green building certification program that provides a framework for identifying and implementing practical and measurable green building strategies for all building types from commercial buildings to entire communities. Research finds that LEED-certified spaces use less energy, save money for families, businesses and taxpayers, reduce carbon emissions, and contribute to a healthier environment for residents, workers and the larger community.

LEED has transformed how the building industry and the public consider sustainability in real estate. The most recent update to LEED, known as LEED v4, is the new standard for high-performance green buildings worldwide.

USGBC and LEED continue to expand as the green building industry continues to grow. According to the Dodge Data & Analytics *World Green Building Trends 2016 SmartMarket Report*, the global green building sector will double every three years, contributing millions of dollars to the state, national and global economy.

## LEED-CERTIFIED BUILDINGS' IMPACT

To date, there are more than 40,000 LEED-certified commercial projects worldwide, comprising more than **6 billion square feet** of construction space across all 50 states and 167 countries and territories. In addition, there are more than 386,000 LEED-certified residential units.

Between 2015 and 2018, LEED-certified buildings in the United States are estimated to generate **\$1.2 billion in energy savings, \$149.5 million in water savings, \$715.2 million in maintenance savings and \$54.2 million in waste savings.**



“LEED is a powerful economic development tool for revitalizing and advancing sustainable communities. Buildings, homes, schools, warehouses, infrastructure development and even entire cities are realizing their potential through green building and LEED.”

—MAHESH RAMANUJAM  
PRESIDENT AND CEO, USGBC AND GBCI



# USGBC IN VIRGINIA: COMMUNITIES LEAD BY BUILDING GREEN



USGBC is driving education, advocacy and services to keep green building growing in Virginia. Strong partnerships, education workshops and service activities are facilitating innovation, spurring industry growth and spreading green building industry knowledge across the Commonwealth.

For example, USGBC partnered with the Green Schools National Network to host the 2015 Green Schools Conference in Virginia Beach, an event that brings together professionals from all over the country involved in making green schools a reality.

## GREEN BUILDING JOBS AND IMPACT

Government leadership and policy initiatives play a critical role in the fast growing green economy by investing in responsible practices and creating conditions that spur market activity.

Virginia is emerging as a national leader in its commitments to advance energy efficiency in public buildings and in bold new policies to mitigate climate change and to increase resilience. In particular, recent executive orders and the prospect of increased emphasis and investment in energy efficiency and renewable energy at the state level portend further growth for the state.

A key aspect of our Virginia community is the large stock of LEED-certified federal buildings in the Commonwealth. Federal agencies, especially the Department of Defense, maintain a large footprint in Virginia. As the largest consumer of energy in the nation, the Federal Government uses LEED as part of its commitment to operate federal buildings more efficiently and effectively.

Many universities in Virginia also use LEED certification as part of their campus sustainability commitments. The second highest proportion of LEED-certified buildings in the Commonwealth come from the higher education sector.

Virginia's decisions matter – and so do its green buildings. Green construction in Virginia is estimated to contribute over **\$26.56 billion** to the GDP, creating **312,000 jobs** from 2015-2018. USGBC is deeply engaged in ensuring green building successes statewide.

Dozens of local Virginia governments have shown leadership in enacting municipal polices that promote sustainability and energy efficiency through LEED, with both green building commitments for public buildings, and incentives for private sector buildings. Working together, we can advance the sustainability goals of our members and the well being of all Virginians.

## VIRGINIA BY THE NUMBERS

*(As of January 2018)*

**1,294**

Certified Commercial Projects

**162+ million**

Certified Commercial Square Feet

**12,000+**

Certified Residential Units

## USGBC Communities in Virginia:

Greater Virginia  
Hampton Roads  
National Capital  
Region

Home to Arlington  
County, the first **LEED  
Platinum** community in  
the world

Active member of  
the **Virginia Energy  
Efficiency Council  
(VAEEC)**

Partner of **Resilient  
Virginia**