

April 9th, 2018

Ms. Karen G. Sabasteanski
Virginia Department of Environmental Quality
P.O. Box 1105
Richmond, VA 23218

RE: Proposed regulation for emissions trading

Dear Ms. Sabasteanski:

The National Wildlife Federation and the Virginia Conservation Network, one of NWF's 50 independent state and territorial affiliates, strongly support Virginia's proposed regulation for emissions trading (adding 9VAC5-140-6010 through 9VAC5-140-6430). We appreciate the commitment of Governor Northam and the Commonwealth of Virginia to reducing carbon emissions from the power sector in order to protect the health and welfare of the people of Virginia, and the wildlife, environment and natural resources that support the Commonwealth's economy. This letter of support outlines the impacts of climate change for Virginia, especially in regards to its wildlife and outdoor economy, highlights the value of linking to the Regional Greenhouse Gas Initiative (RGGI), and offers suggestions on how your state can further strengthen and expand this initiative with regards to biomass considerations.

The National Wildlife Federation and its extensive network of affiliates share a unique perspective as the nation's oldest and largest conservation federation dedicated to protecting wildlife and the places we hunt, fish and recreate. NWF and its affiliates have six million members and supporters across the nation. The Virginia Conservation Network (VCN) is an environmental non-profit organization with over 100 Network Partners across the Commonwealth, many of whom are deeply concerned about the continued viability of healthy ecosystems and the threat of climate change.

We applaud Virginia's plan to confront the growing threat of climate change head on by creating a carbon market that can link with RGGI. According to the National Climate Assessment, with three feet of sea level rise (well within the projected range for the next century) between 162 to 877 miles of roads could be inundated. Further, the gradual subsidence of coastal land in Virginia is magnifying the impacts of sea-level rise in the region. At Swells Point in Norfolk, water levels over the past 80 years have risen 14.5 inches — well above the global average.

The rising seas threaten the coastal tourism industry in Virginia, a critical component of the state's economy. For examples, tourism contributed \$1.4 billion to the economy of Virginia Beach in 2015, which resulted in \$256 million in salaries and more than 12,900 jobs. Virginia's beaches and coastal waters also support five of the seven sea turtle species found worldwide. Every year between 5,000 and 10,000 sea turtles swim into the Chesapeake Bay. Most of these turtles are the threatened loggerhead and endangered Kemp's ridley, which depend on the bay for food and safety. The loggerhead sea turtle also depends on the bay's sandy beaches and dunes for nesting habitat. As the sea level rises and extreme weather events occur more frequently, these nesting habitats are being washed away.

Likewise, Virginia's treasured Chesapeake Bay is also experiencing the impacts of rising sea levels and warmer water temperatures. Warming temperatures and increased runoff from flooding are making the bay and its many tributaries susceptible to harmful algal blooms — a threat to both people and wildlife.

These changes are altering the abundance and migration patterns of wildlife in the bay, leading to declines in waterfowl and commercially important shellfish. Virginia is home to the U.S.'s largest clam aquaculture industry, with an average annual economic impact of \$60 million USD, and overall, the seafood industry in Maryland and Virginia support almost 34,000 jobs. A changing climate threatens the natural resources this economy depends on.

RGGI is a highly successful cooperative state effort to harness market forces to cap, price, and curb harmful carbon emissions that are contributing to the climate change threats facing Virginia. RGGI states account for one-sixth of the U.S. population and one-fifth of the nation's GDP. Since the program began, RGGI states have experienced a net gain in economic growth, increased jobs, long-run electricity cost reductions, and decreased emissions. By establishing a program to trade carbon that will link with RGGI, Virginia can enjoy the benefits of a carbon trading system while adding valuable momentum to the effort to mitigate climate change by ensuring that, with California's carbon pricing system and New Jersey rejoining RGGI, 1 in 3 Americans will live in states with ambitious carbon pricing policy designed to drive down harmful carbon pollution.

Tackling Virginia's carbon emissions is important to overall success in avoiding dangerous levels of warming that will have high costs for Virginia. Though there has been a downward national trend in emissions from the power sector in recent years, carbon pollution from Virginia's power plants has risen from 23 million tons in 2012 to 34 million tons in 2016. That figure is expected to rise to 37 million tons in 2019 (<http://www.deq.virginia.gov/Portals/0/DEQ/Air/GHG/C17-RP00-fin.pdf?ver=2017-10-06-084815-330>). The Commonwealth must act now to counter this trend. The clean energy economy is growing in the U.S. and abroad. Linking a carbon reduction policy to RGGI will reverse this trend for Virginia, propelling it to become a world leader in clean energy development, protecting the state's treasured natural resources and wildlife while creating new jobs and boosting the state's economy.

While RGGI is considered to be an excellent example of a multistate program that encourages innovation and collaboration, there are still areas in which it can be improved. As an independent state that is linking with the RGGI carbon market, Virginia would have a unique opportunity to strengthen and advance the program. By doing so, Virginia has the potential to cement itself as a gold standard for carbon pricing.

Virginia could also provide a model to strengthen and improve RGGI's approach to biomass practices that are covered by the initiative. While some biomass practices can reduce carbon emissions when compared to other fuels, other practices actually increase near-term emissions and degrade wildlife habitat. For reference, one model for carbon accounting that we find particularly adept is the [Net Emissions Impact](#), which applies multipliers for each unit of carbon from different biomass feedstocks. Onsite waste that would otherwise be burned without energy recovery has a multiplier of 0, forest derived residues would be 0.65, and trees/boles/large diameter materials would be 1.0. We urge Virginia to carefully consider the nuances of biomass and weigh the potential for negative repercussions.

Biomass production can impact U.S. landscapes in three ways. First, the demand for low-value pulp wood for pellets is driving a shift in the Southeast from natural forests to pine plantations—a significant downgrade in habitat value. Second, unrestricted harvests leave high conservation value species and ecosystems vulnerable to biomass harvests, particularly wetland forests like bottomland hardwoods. Third, insufficient climate protections mean that high-carbon biomass is being consumed—research has found that biomass from tree stands in southeastern forests takes 35-50 years before it performs better

than fossil fuels. This is far too long to mitigate the impacts of climate change, and not in line with policies like the governor's executive order to reduce carbon pollution.

We encourage Virginia to adopt thoughtful measures to protect wildlife and habitat while pursuing measures to address the climate crisis in the following ways: first, the state can reinforce the RPS limit on non-waste feedstocks by applying it to its carbon market as well; second, the state should preclude biomass sourced from high conservation value areas; and third, the state should limit growth in the biomass market to truly sustainable feedstocks, like wastes and residues that would otherwise decompose on their own and pine thinnings that open up the forest canopy for understory diversity. Virginia must establish best practices for biomass production that lead to benefits for both wildlife and climate.

We thank you for your leadership on climate change, particularly your proposed regulation creating a Virginia carbon emission trading system. We are certain that, if finalized, this new system would bring a wealth of benefits to the state and regional environment, wildlife, and natural resource economy, as well as improve public well-being. Please reach out to us with any questions, or if we can be of further help in realizing the state's climate action goals.

Sincerely,

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