

Status of the Development of the Virginia Energy Plan

Commission on Electric Utility Restructuring
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Stephen A. Walz
Department of Mines, Minerals and Energy
804-692-3211
Stephen.Walz@dmme.virginia.gov



Virginia Energy Policy – SB 262

- **Major components of SB 262**
 - State energy policy statements & objectives
 - Virginia Energy Plan
 - Energy conservation
 - Income tax deductions – Efficient equipment & fuel cells
 - Renewable electricity production & PV/solar/wind grants
 - Landfill/synthetic/waste gas state & local tax exemption
 - OCS – Resource study, Atlantic planning area, natural gas exploration beyond 50 miles, study in Minerals Management Service EIS

Virginia Energy Policy – SB 262

- **Major Components of SB 262**
 - Dominion Virginia Power electric fuel factor annual recovery
 - R&D framework – federal grants
 - VCCER Clean Coal
 - ODU Coastal Energy Research Consortium
 - Coordinated SCC/natural resources permit process study
 - State building energy efficiency
 - Wind/solar site rating

Virginia Energy Policy – SB 262

- **Virginia Energy Objectives**
 - Reliable energy supplies at reasonable cost
 - Rates of energy consumption in relation to economic growth
 - Sufficient infrastructure for reliability
 - Use energy resources more efficiently
 - Facilitate conservation
 - Optimize intrastate & interstate supply and delivery
 - Increase use of less polluting energy sources

Virginia Energy Policy – SB 262

- **Virginia Energy Objectives**
 - Research greenhouse gas sequestration
 - Remove impediments to use of low-cost, indigenous energy resources & ensure viability of energy producers
 - No disproportionate adverse impact to economically disadvantaged or minority communities
 - Foster economically developable alternate sources at market prices to diversify energy portfolio
 - Increase use of biofuels

Virginia Energy Policy – SB 262

- **Virginia Energy Policy Statements**
 - Support R&D and promote renewable energy use
 - Ensure supply & conservation support economic growth
 - Promote R&D of clean coal technologies
 - Promote cost-effective conservation
 - Ensure affordable natural gas
 - Transmission & distribution, CBM, methane hydrates, landfill gas, LNG
 - Promote electricity through non-greenhouse gas technologies

Virginia Energy Policy – SB 262

- **Virginia Energy Policy Statements**
 - Facilitate new/expanded petroleum refining
 - Promote alternate fuel/efficient motor vehicles
 - Reduce petroleum demand by developing infrastructure for synthetic and hydrogen-based fuels
 - Promote ethanol and biodiesel from agriculture
 - Avoid disproportionate adverse impact on economically disadvantaged communities
 - Energy generation & distribution systems to minimize impacts to pristine natural areas & significant onshore natural resources

Virginia Energy Plan Development

- DMME to develop
- DEQ, SCC, VCCER assistance
- 10 year plan, updated every 5 years
- Coordinate with
 - Commission on Electric Utility Restructuring
 - Coal & Energy Commission
 - Also: Joint Commission on Technology and Science & Manufacturing Development Commission
- Due by June 30, 2007

Virginia Energy Plan Development

- **Stakeholder Input**
 - Public listening sessions
 - Advisory group
 - Agency input
 - DEQ, SCC, VCCER
 - Other agencies and institutions
 - CIT & VRTAC
 - Review other plans
 - One-on-one interviews
 - Web comments

<http://www.dmme.virginia.gov/VaEnergyPlan>

Virginia Energy Plan

- **Plan Outline**
 - I. Introduction
 - II. Virginia Energy Sources & Consumption
 - III. Energy Conservation & Efficiency
 - IV. Virginia/Regional Energy Infrastructure
 - V. Energy and Environment
 - VI. Energy Research & Development
 - VII. Conclusions & Recommendations

Virginia Energy Plan Issues

- **Energy Resources and Consumption**

- Sources of energy/consumption patterns/fuel diversity
- Land use
- Transportation
- Traditional or new technologies for supply growth
- Economic development opportunities
- Training needs
- Utility regulation & rates
- Offshore energy
- Renewable portfolio standard/net metering use
- State purchases of alternate electricity supplies
- Agricultural benefits of biofuels

Virginia Energy Plan Issues

- **Energy Conservation and Efficiency**
 - Government, utility & private roles
 - Facilities and fleets
 - Consumer education
 - Incentives & funding
 - Building standards/green buildings
 - Demand response or reduce consumption
 - New technologies
 - Telecommuting
 - Expand solar equipment local tax exemption (eg. LEED)

Virginia Energy Plan Issues

- **Energy Infrastructure**

- Adequacy of existing infrastructure
- Future infrastructure needs
 - Long-term planning needs – state & regional
 - New infrastructure/usual and typical extensions
- Financing needs & risk mitigation
- Principles for review of infrastructure projects
- Disproportionate adverse (positive) impact on economically disadvantaged & minority communities
- Coordinated SCC-natural resource agency review
- Security
- Role of conservation to offset need
- Regional infrastructure

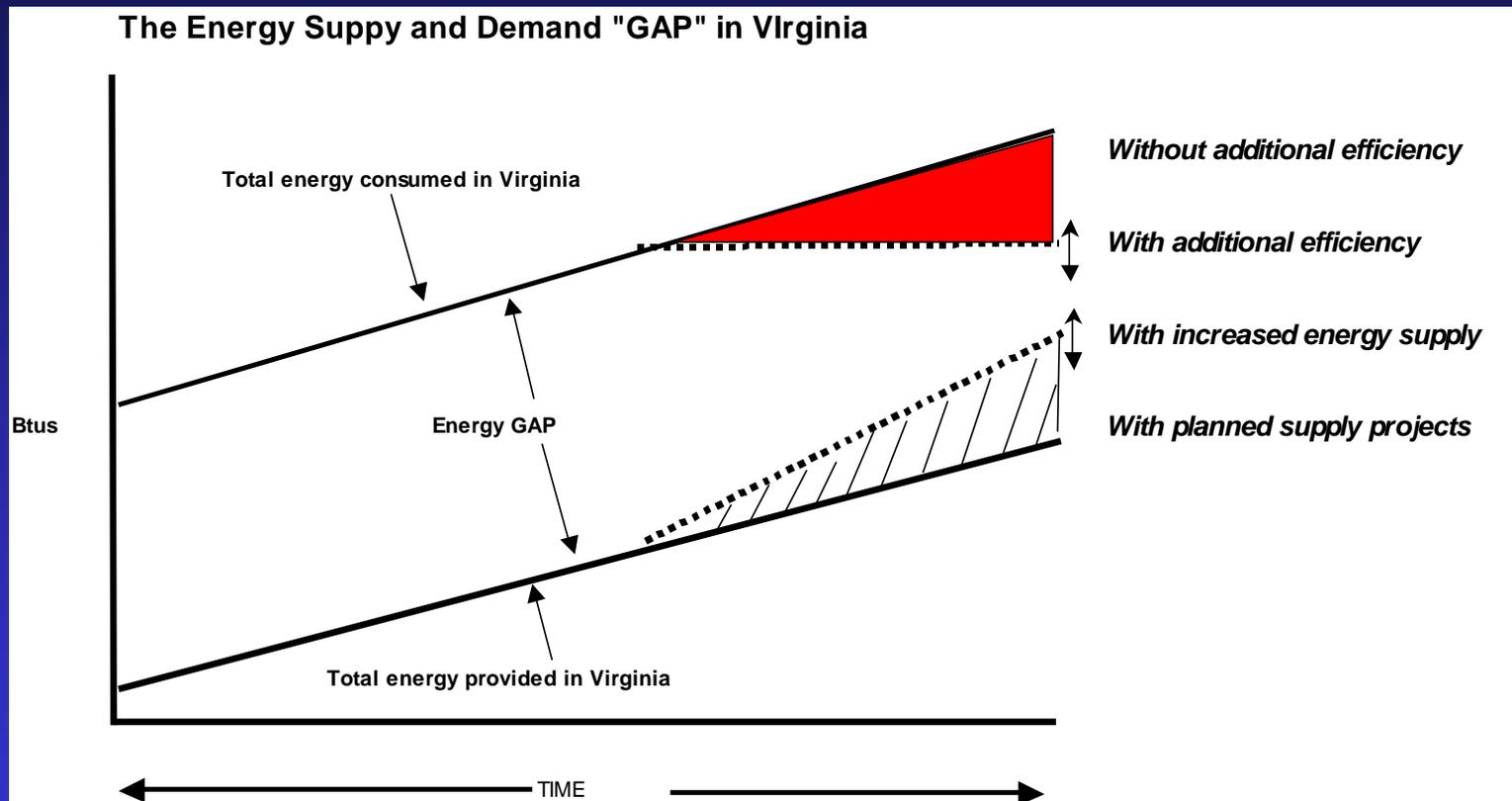
Virginia Energy Plan Issues

- **Energy & Environment**
 - Environmental impacts of production
 - Environmental impacts of use
 - Reliability needs
 - Carbon & other emissions
 - Energy & biodiversity
 - Land conservation easements
 - Synergies – energy efficiency/alternate energy supplies & environmental benefits

Virginia Energy Plan Issues

- **Research, Development and Deployment**
 - Inventory – University/National labs/Private company
 - Strengths & weaknesses
 - Financial needs
 - Public-private cooperative RD&D
 - Governance of state RD&D efforts
 - Target for growth

Virginia Energy Plan



Virginia Energy Plan

- Provide low-cost energy supplies
- Increase energy conservation and efficiency
- Provide adequate energy infrastructure
- Minimize energy's effect on the environment
- Expand energy RD&D
- Support Virginia's mining, agricultural, & industrial base
- Develop alternate energy sources
- Provide Virginia's future energy workforce