

VAECC: Passing the Utility Over-Earnings Bills Will Build on Virginia's Energy Efficiency Momentum

Like many organizations, the Virginia Energy Efficiency Council (VAEEC) has been following the debates surrounding SB966 and HB1558 closely.

As the voice for the energy efficiency industry in the Commonwealth, our membership includes Fortune 500 companies, small businesses, nonprofits, local governments, state agencies, utilities and individuals. Our overall goal is to make sure energy efficiency is recognized as an integral part of Virginia's economy, while also advocating for solutions that keep costs down for residents and businesses across the Commonwealth.

In short, the VAEEC knows that investments in energy efficiency mean new jobs in every corner of Virginia. And we have built a lot of momentum in recent years.

Last May, VAEEC published a report entitled "Why Energy Efficiency is a Smart investment for Virginia," which found that energy efficiency is a \$1.5 billion industry in Virginia that supports approximately 75,000 jobs. Greater investments and growth in energy efficiency means more jobs in the local communities being served- jobs that cannot be outsourced out-of-state or overseas.

During the legislative session, VAEEC has strongly advocated that any portion of over-earnings the utilities are allowed to keep should be used to fund energy efficiency programs that ultimately help a larger number of Virginia consumers save money.

While other aspects of this legislation have stirred controversy, support for Virginia to do more on the energy efficiency front has been strong and unwavering. Passage of this legislation underscores the widespread, bipartisan agreement that energy efficiency is a smart investment for the Commonwealth and for consumers.

We applaud the commitment by Dominion Energy to invest over \$1 billion in energy efficiency over the next decade – including \$870 million in regulated programs and \$60 million for their shareholder-funded low-income Energy Share Weatherization program- and Appalachian Power Company's \$140 million commitment. During the debate around the original rate review freeze bill in 2015, Dominion Energy committed to less than \$30 million over five years for energy efficiency- showing just how substantial the gains are in the legislation currently before the General Assembly.

Further, we are heartened to see that the compromise provisions in these bills include things like an independent stakeholder process to receive input on energy efficiency design and implementation and language that asserts that a utility energy efficiency program is in Virginia's public interest if it passes three of four cost benefit tests – a change advocates have unsuccessfully attempted to make several times over the last few years.

Data shows that energy efficiency is one of the easiest, most direct ways to help a vast number of customers lower their electricity bills this year and for years to come. If these bills succeed, ratepayers will win with lower monthly energy costs, businesses will win with lower operating costs and the economy will win more jobs and economic activity.

The VAEEC hopes HB 1158 and SB 966 pass the General Assembly, and that Governor Northam signs them into law. We can't squander the great momentum we've built leading up to this moment.