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SENATE BILL NO. 1323

Offered January 14, 2015

Requesting the Department of Environmental Quality to study the potential for the establishment of a funding source to localities in coastal Virginia for flood resilience that could result by including the Commonwealth of Virginia as a full participant in the Regional Greenhouse Gas Initiative. Report.

Patron—Lewis

Referred to Committee on Rules

WHEREAS, the National Oceanic and Atmospheric Administration reports that the number of "nuisance flooding" days in Norfolk has increased 325 percent since the 1960s; and

WHEREAS, House Joint Resolution No. 16 (2014) and Senate Joint Resolution No. 3 (2014) established a joint subcommittee to formulate recommendations for the development of a comprehensive and coordinated planning effort to address recurrent flooding; and

WHEREAS, House Joint Resolution No. 50 (2012) and Senate Joint Resolution No. 76 (2012) requested the Virginia Institute of Marine Science (VIMS) to study strategies for adaptation to prevent recurrent flooding in Tidewater and Eastern Shore Virginia localities; and

WHEREAS, the resulting VIMS report, entitled "Recurrent Flooding Study for Tidewater Virginia," published as Senate Document No. 3 (2013), states: "Recurrent flooding is a significant issue in all localities in Virginia coastal localities and one that is predicted to become worse over reasonable planning horizons (20-50 years)."; and

WHEREAS, the VIMS report found that "[i]mpacts from flooding can range from temporary road closures to the loss of homes, property and life. In coastal Virginia, the cost of large storm damage can range from millions to hundreds of millions of dollars per storm."; and

WHEREAS, the Secure Commonwealth Panel, established by § 2.2-222.3 of the Code of Virginia to "monitor and assess the implementation of statewide prevention, preparedness, response, and recovery initiatives and where necessary review, evaluate, and make recommendations relating to the emergency preparedness of government at all levels in the Commonwealth," created a Recurrent Flooding Sub-Panel to further assess the threat of recurrent flooding and sea level rise in the Commonwealth; and

WHEREAS, the Secure Commonwealth Panel Recurrent Flooding Sub-Panel's report, entitled "Recommendations to the Secure Commonwealth Panel on the Issue of Sea Level Rise and Recurrent Flooding in Coastal Virginia" (2014), states that "[t]he Commonwealth should identify or establish a fund to assist localities and regions [to] meet their match requirements and otherwise assist them with the costs of adaptation planning."; and

WHEREAS, the City of Norfolk hired the U.S. branch of the Dutch engineering firm Fugro, which estimated a cost of at least \$1 billion to fulfill the firm's adaptation and protection plans in Norfolk; and

WHEREAS, a number of homeowners, businesses, schools, and health care facilities in Virginia's coastal communities regularly battle issues associated with recurrent flooding and the threat of increasing sea level rise and severe storms; and

WHEREAS, the general purposes of this act are to (i) establish a revolving fund to serve as a consistent revenue stream to assist counties, cities, and towns in the Hampton Roads region with the implementation of sea level rise and recurrent flooding adaptation efforts; (ii) invest in the promotion, development, and implementation of statewide distributed renewable energy development and energy efficiency programs; (iii) reduce greenhouse gas emissions from energy use in Virginia; and (iv) provide economic development assistance for families, businesses, and localities in Southwest Virginia to offset negative economic impacts associated with reduced fossil fuel production; and

WHEREAS, the Regional Greenhouse Gas Initiative (RGGI) is the program to implement the memorandum of understanding (MOU) between signatory states dated December 20, 2005, and as may be amended, and corresponding model rule that established a regional carbon dioxide electric power sector cap and trade program; and

WHEREAS, it may be advisable for the Governor to include the Commonwealth of Virginia as a full participant in RGGI and for the Department of Environmental Quality to adopt rules and regulations in compliance with RGGI, establishing a carbon dioxide cap and trade program to reduce emissions released by electric generating stations, and permit holders of carbon dioxide allowances to trade them in a regional market established through RGGI; and

WHEREAS, it may be beneficial to establish a Commonwealth Resilience Fund to consist of all RGGI proceeds received in accordance with the Commonwealth's participation in such initiative as well as any funds appropriated by the General Assembly; and

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59 WHEREAS, the Fund could be used to (i) assist localities in Hampton Roads and the coastal region
60 of the Commonwealth, to be defined by the Department of Environmental Quality, with sea level rise
61 and recurrent flooding adaptation and resilience efforts; (ii) support energy efficiency and conservation
62 programs to provide energy efficiency and conservation grants and support the development and
63 promotion of energy efficiency programs and conservation in the Commonwealth; (iii) provide economic
64 development, education, and workforce training programs for families and businesses in Southwest
65 Virginia for the purpose of revitalizing communities negatively impacted by the decline of fossil fuel
66 production; and (iv) establish a renewable energy generation program to provide renewable energy grants
67 and support the development and promotion of distributed renewable, noncarbon-emitting energy
68 technologies in the Commonwealth; now, therefore, be it

69 RESOLVED by the Senate, the House of Delegates concurring, That the Department of
70 Environmental Quality be requested to study the potential for the establishment of a funding source to
71 localities in coastal Virginia for flood resilience that could result by including the Commonwealth of
72 Virginia as a full participant in the Regional Greenhouse Gas Initiative.

73 In conducting its study, the Department of Environmental Quality (Department) shall study the
74 process necessary to include the Commonwealth as a full participant in the Regional Greenhouse Gas
75 Initiative (RGGI) and the potential advantages and disadvantages, as well as the experiences of other
76 states, of such participation. The Department shall also study the potential creation of a fund consisting
77 of RGGI proceeds and the most effective use of such fund.

78 The Department shall complete its meetings by November 30, 2015, and the Director of the
79 Department shall submit to the Division of Legislative Automated Systems an executive summary of its
80 findings and recommendations no later than the first day of the 2016 Regular Session of the General
81 Assembly. The executive summary shall state whether the Department intends to submit to the General
82 Assembly and the Governor a report of its findings and recommendations for publication as a House or
83 Senate document. The executive summary and report shall be submitted as provided in the procedures of
84 the Division of Legislative Automated Systems for the processing of legislative documents and reports
85 and shall be posted on the General Assembly's website.