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HOUSE BILL NO. 110

Offered January 8, 2020

Prefiled December 13, 2019

A BILL to amend the Code of Virginia by adding in Article 1 of Chapter 13 of Title 10.1 a section numbered 10.1-1322.5, relating to Regional Greenhouse Gas Initiative; long-term contracts.

Patrons—Ware and Gooditis

Referred to Committee on Agriculture, Chesapeake and Natural Resources

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Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 1 of Chapter 13 of Title 10.1 a section numbered § 10.1-1322.5 as follows:

§ 10.1-1322.5. Regional Greenhouse Gas Initiative; long-term contracts.

A. As used in this section:

"Allowance" means an authorization to emit a fixed amount of carbon dioxide.

"Long-term contract" means a power purchase, energy conversion, or tolling agreement executed before May 16, 2017.

"Regional Greenhouse Gas Initiative" or "RGGI" means the program to implement the memorandum of understanding between signatory states dated December 20, 2005, as it may be amended, and the corresponding model rule that established a regional carbon dioxide electric power sector cap and trade program.

B. If (i) the Governor seeks to include the Commonwealth as a full participant in RGGI or another carbon trading program with an open auction of allowances or (ii) the Department implements the final carbon trading regulation as approved by the Board on April 19, 2019, in order to establish a carbon dioxide cap and trade program that limits and reduces the total carbon dioxide emissions released by certain electric generation facilities and that complies with the RGGI model rule, the Department shall establish an allowance reserve account for any electric generation facility subject to such cap and trade program that operates according to a long-term contract that prohibits the recovery of allowance costs. Such facility shall be allocated free allowances from the reserve account sufficient to cover its annual compliance obligation for the duration of the long-term contract.