



*Policy Priority*  
**Accelerating Renewable Energy Deployment**

Over the past two decades, renewable energy has grown dramatically in the United States. In 2001, renewables, including hydropower, comprised roughly 8% of US electricity generation, per the Energy Information Administration. By 2017, that share had more than doubled, to over 17%, with wind and solar driving gains.

However, as the deployment of renewables has accelerated across much of the country, Virginia has lagged behind. Our Commonwealth has been lapped, not only by states like Arizona or Iowa, known for their abundant solar and wind resources, but also by our neighbors. North Carolina, for example, has over 4.4 gigawatts (GW) of solar power deployed – almost seven times what is in Virginia. Pennsylvania has over 1.3 GW of wind power while, to date, Virginia has none. These states have reaped the rewards of renewable projects such as new jobs; investment; tax revenue; and growing supply and support industries.

In recent years, Virginia has made incremental progress. The establishment of mechanisms like “Permit By Rule” (PBR) has helped to ease some deployments. Renewable energy tariffs, crafted largely to serve specific customers, and PPA pilots have grown the market for projects. In early 2018, Virginia took a significant step, declaring that the deployment of 5,000 megawatts (MW) of wind and solar and 500 MW of distributed generation (DG) “in the public interest.” This bill set a clear goal and lowered a regulatory barrier, but more needs to be done.

**Virginia should start by ensuring that the goal of deploying 5,500 MW of wind and solar by 2023 is met – and surpassed.** Federal tax credits that enhance the economics of wind and solar are ramping down and, in some cases will disappear entirely. That makes *now* the optimal time to ramp up development and construction of renewables in Virginia. Investor-owned utilities should put forward rapid, consistent, and predictable procurement schedules. As is specified in statute, these procurements should be open and transparent, ensuring that the most cost-competitive renewable resources are selected.

To bolster the market, **Virginia should expand and improve the range of options consumers have to procure renewable resources.** These options include renewable energy tariffs, Competitive Service Providers (CSPs), and Power Purchase Agreements (PPAs), among others. For more information on these options, and how they can be improved, see [“Expanding Market Access”](#).

Long-range energy and integrated resource planning also sets the trajectory of renewable growth in Virginia. **Policymakers and regulators should ensure**

**these processes aren't skewed towards particular resources** and that accurate pricing assumptions are used in the modeling process. Large-scale and distributed renewables offer a wealth of energy, capacity, regulation, and environmental benefits, as well as an important long-term hedge against fuel cost volatility. A resource-neutral approach to planning and regulation that fully recognizes these benefits will accelerate the deployment of renewables and ensure Virginia's energy and resilience needs are met cost-effectively.

Even with a growing market for renewables and better regulation, wind and solar projects are confronted with impediments on the path to completion. SB 966 made it clear that 5,500 MW renewables are in the public interest, which should reduce the level of State Corporation Commission (SCC) scrutiny that falls on relevant projects. Interconnection studies for a variety of projects take too long to complete, and often fail to capture the full suite of benefits a renewable project may provide. While studies for large projects are subject to PJM standards, those performed by Dominion for smaller projects can be accelerated.

**Permit by Rule (PBR) has helped to accelerate permitting for renewable projects, but can be improved** as well. While the PBR process promises a 90-day review timeline, the reality is otherwise. Limited bandwidth in state agencies to review projects, and requests for additional information, routinely carries the process far beyond 90 days.

While distributed generation (DG) installations may not encounter the same permitting challenges as large-scale projects, they nonetheless face significant obstacles. **If Virginia is going to meet the goal of 500 MW of DG, these impediments need to be lowered.** That entails raising the caps on DG systems and allowing for innovative ownership and financing mechanisms, such as third party leasing and aggregated net metering.

**Strengthening the economics of DG will also accelerate deployment.** Policymakers, regulators, and utilities need to ensure that DG owners are fully compensated for the benefits they provide to the system. These owners also should not be subject to unwarranted charges. A transition towards rates that more accurately reflect how energy costs change over time, facilitated by advanced metering infrastructure, can help improve these economics.

Virginia has the opportunity to dramatically accelerate the deployment of renewables, creating new jobs, stimulating in-state investment, and generating new state and local tax revenues. Such state and local investment can create a virtuous cycle – sourcing more generation and talent within Virginia creates additional prosperity at home, spurring further investment. The Commonwealth has taken positive steps, but more needs to be done in planning, permitting, regulation, and legislation if we're going to catch up with our neighbors and the United States as whole.