



## **VIRGINIA MANUFACTURERS ASSOCIATION**

### **ENERGY RESOURCES POLICY STATEMENT**

**The Commonwealth should develop its natural and technological assets to increase the supply of energy through diverse fuels that include, but are not limited to, Natural Gas, Clean Coal, Nuclear, Oil, Combined Heat & Power (CHP), Landfill Gas (LFG), Liquefied Natural Gas (LNG), and Renewables. In order to assure future energy supplies and national energy security, alternative energy sources should be developed to supplement traditional resources. Sustainable economic growth in manufacturing is contingent upon reliable and affordable energy and fuels, therefore, these needs may also necessitate improved states' rights.**

**Virginia should also reject renewable portfolio mandates and similar energy regulation mandates on the basis that they are inconsistent with Virginia's energy plan, create economic inefficiencies, and result in higher costs for consumers. Further, the Commonwealth must develop a legislative process whereby the General Assembly can evaluate the costs to generators and consumers of energy legislation prior to its adoption in order to make more informed decisions.**

The principles outlined below are intended to represent the interests of Virginia industry in developing domestic energy resources. These principles recognize the role of the federal government in interstate commerce, but are intended to serve as a catalyst in expanding states' rights for the purposes of greater energy security and economic development. The VMA Energy Resource principles are as follows:

- The Commonwealth should facilitate the availability and delivery of reliable and adequate supplies of energy to industrial, commercial, and residential users at reasonable costs.
- Consumers and Government should promote cost-effective conservation of energy and fuel supplies.
- **Consumers and Government should promote cost-effective energy efficiency technology and programs.**
- The Commonwealth should ensure the availability of affordable natural gas throughout the Commonwealth by expanding Virginia's natural gas distribution

and transmission pipeline infrastructure, developing coalbed methane and offshore gas resources, including methane hydrate resources, and liquefied natural gas terminals.

- **The Commonwealth’s Congressional delegation should develop, support, and enact federal legislation, and petition for appropriate federal executive action, that will (i) provide an exemption to the moratorium that prevents any surveying, exploration, development, or production of potential natural gas or oil deposits in areas off the Commonwealth’s Atlantic shore that are under federal jurisdiction, (ii) incorporate revenue sharing between the federal and state governments for leasing activity that potentially will provide the Commonwealth with significant additional sources of revenue; (iii) not authorize drilling or other exploratory activity within the Chesapeake Bay; and (iv) “reset” Virginia’s place in the Department of the Interior 5-Year Plan for OCS development.**
- The Commonwealth’s Congressional delegation should develop, support, and enact federal legislation, and petition for appropriate federal executive action that will enable the Commonwealth to exercise exclusive jurisdiction with respect to analyzing, developing, and harvesting offshore wind **and wave** energy resources.
- **Landfill Gas (LFG) and natural gas recovered from waste are immediate sources of low-cost natural gas and should receive incentives as well as regulatory flexibility for industrial development.**
- **The Commonwealth should promote clean coal development. Coal is the most abundant energy resource in the Commonwealth. It is essential to our economy and can be developed and used to produce energy in an environmentally responsible manner. Government actions that unreasonably increase the cost of developing and using coal are detrimental to Virginians. Laws and regulations governing air, water and solid waste are restraining the use of coal by industry and utilities. As such, environmental policies and regulations, including their underlying benefit-cost models, should be independently analyzed by state legislatures.**
- **The Commonwealth should support, through incentive and regulatory flexibility, not through mandatory regulation, the use of cost-competitive renewable and low-emission energy resources. The decision to develop energy alternatives, which are not market-competitive but are found to be in the public interest by policy-makers, should be supported through federal and state tax incentives or general fund appropriations to the extent necessary to render them cost-competitive. Where government regulation has intervened in the market by placing artificial fuel purchase mandates on generators, prices have increased for consumers, the net environmental benefit has not been adequately quantified and unintended consequences have occurred which threaten industry cost competitiveness.**

- **The Commonwealth should support cost-effective distributed generation, combined heat and power (CHP) technologies and waste recovery systems through incentives and regulatory flexibility.**
- Global warming regulations must be exclusively addressed at the Federal level. There is an inextricable linkage between environmental management and the making and moving of energy, products and people. As such, economic prosperity, environmental protection, business consumption and human health are interdependent necessities of the U.S. economy. Federal and state-administered EPA programs and policies to regulate the economy in order to slow or stop global warming should carefully balance these competing necessities through rigorous scientific and economic standards. Any regulation that would impair the economy or lacks empirical and transparent measurement leading to broad scientifically validated reductions in global temperatures should be opposed.
- **Uranium Mining in the Commonwealth should be considered after state regulations and site specific regulations are adopted that protect water quality locally and within the entire watershed through best available control technologies, provide for legacy management of mine tailings, and effectively protect human health. It is also important that the regulatory process is transparent, methodical and addresses the findings of the National Academy of Sciences and Virginia Uranium Working Group. It is equally important that the regulatory burden not be borne by state and local agencies at the detriment of existing employers.**