



March 31, 2022

Karen G. Sabasteanski
Department of Environmental Quality (DEQ)
1111 East Main Street, Suite 1400
P.O. Box 1105
Richmond, VA 23218

Re: Repeal CO 2 Budget Trading Program as required by Executive Order 9 (Revision A22)

Dear Ms. Sabasteanski:

Please accept The Pew Charitable Trusts' (Pew's) comments on Regulatory Action Revision A22, a proposed repeal of regulations underpinning Virginia's participation in the Regional Greenhouse Gas Initiative (RGGI). Pew's flood-prepared communities initiative applies a rigorous, analytical approach to improve public policy to make communities more prepared for the increased frequency and costs of flooding. Because this proposed repeal would also eliminate funding for the Community Flood Preparedness Fund (Fund) we are writing to express our concerns.

Pew notes that Executive Order 9 (2022), "Protecting Ratepayers from the Rising Cost of Living Due to the Regional Greenhouse Gas Initiative," directs DEQ to initiate a regulatory process to end the Commonwealth's involvement in RGGI. Yet, the Executive Order is in direct conflict with the Clean Energy and Community Flood Preparedness Act as enacted in 2020 by Virginia's General Assembly and its statutory provisions requiring Virginia to participate in the RGGI auction. The law also requires that revenue generated from the auction supports several important programs, including the Community Flood Preparedness Fund (Fund), which was established with broad bipartisan support. Virginia's withdrawal from RGGI will undermine this critical flood-preparedness program, which, without adequate and sustained funding, will leave Virginia increasingly vulnerable to flooding impacts. As you may know, flooding is currently the Commonwealth's most frequent and costly natural disaster.

RGGI auction receipts represent the Fund's sole funding source for local projects and capacity building efforts that emphasize community-scale and community-led flood mitigation. As of this month, auction receipts have contributed more than \$265 million to the Fund, more than \$156 million of which has been awarded for projects across Virginia. While we note there are proposals to offset this potential loss through other means, elimination of this funding for the Fund puts at risk projects and planning efforts that prioritize nature-based solutions, community-scale solutions, and approaches that comprehensively address flood risk. And national research shows investing in mitigation yields an average long-term benefit of \$6 for every \$1 invested.

The Youngkin Administration has repeatedly outlined its commitment to mitigate the impact of flooding on all Virginians—a commitment we applaud. However, Revision A22 unnecessarily puts the Community Flood Preparedness Fund in jeopardy, running counter to the Administration’s stated commitment. Accordingly, Pew urges the Administration to reverse course on this misguided proposal.

Sincerely,

A handwritten signature in blue ink, appearing to read "Laura Lightbody". The signature is fluid and cursive, with the first name "Laura" being more prominent than the last name "Lightbody".

Laura Lightbody
Director, flood-prepared communities initiative
The Pew Charitable Trusts