



August 25, 2023

Karen G. Sabasteanski  
Virginia Department of Environmental Quality  
Post Office Box 1105  
Richmond, VA 23218

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

Dear Ms. Sabasteanski,

Wetlands Watch appreciates the opportunity to submit the following comments on the proposed action from the Virginia Department of Environmental Quality (“DEQ”) entitled “Repeal CO<sub>2</sub> Budget Trading Program as required by Executive Order 9 (Revision A22).” This action “requires that the department re-evaluate Virginia’s participation in the Regional Greenhouse Gas Initiative (RGGI) and begin regulatory processes” to repeal Part VII of 9 Va. Admin. Code § 5-140, also known as Virginia’s Emissions Reduction Program or the CO<sub>2</sub> Budget Trading Program.

Wetlands Watch is a Virginia-based 501(c)(3) nonprofit organization that works collaboratively and across jurisdictions to provide support to communities of the Commonwealth as they plan for, design, and implement adaptation strategies to address current and future projections of climate change. We conduct extensive statewide public outreach, providing information and support to residents, local governments, Virginia’s state agencies, and members of the General Assembly seeking to address the impacts of climate change.

Wetlands Watch **strongly opposes** DEQ’s proposal to repeal Virginia’s participation in RGGI because neither the Air Pollution Control Board (“Air Board”) nor DEQ has the power to remove Virginia from the Emissions Reduction Program. The General Assembly **mandated Virginia’s participation in RGGI**. Therefore, the Air Board and DEQ cannot override this legislative mandate through the regulatory process. Wetlands Watch expects the Commonwealth to end these withdrawal efforts and to fall in line with the law.

Our organization has strongly supported Virginia's codified participation in RGGI (Virginia's Regulation for Emissions Trading Program) and the investment of emissions auction proceeds in flooding and coastal resilience support state-wide (Clean Energy and Community Flood Preparedness Act). RGGI is working to incentivize cleaner air and reduce the carbon footprint of the state's heaviest CO<sub>2</sub> polluters by establishing caps on CO<sub>2</sub> allowances. Additionally, Virginia codified the allocation of auction proceeds to grant fund programs that both mitigate the causes of greenhouse gasses through the [Housing Innovations in Energy Efficiency](#) grant program and the impacts of climate change through the [Community Flood Preparedness Fund \(CFPF\)](#). Over \$600 million has been dedicated to these state grant programs since Virginia joined RGGI, providing critical support for energy efficiency and flood risk reduction. Withdrawing from this crucial program, which costs the average Virginian little more than a cup of coffee or a gallon of gas a month, will simply hurt our communities. Furthermore, this illegal regulatory process is consuming precious administrative time and resources, which could otherwise be spent on filling capacity gaps present in countless existing state programs.

Our organization promotes the CFPF, which is the state's sole funding source dedicated to help localities and tribes address flooding, sea level rise, and severe weather events. Federal grant programs are typically overly complicated. As a result, local governments and tribes often lack capacity to apply for or access federal funding opportunities. The CFPF is one of the only approachable funding sources available for resilience planning, capacity building, studies, and projects that address flooding and climate change impacts. Most Virginia communities would not be able to access comparable grant support if funding for the CFPF is discontinued or reduced.

[The CFPF is a state-wide fund](#), bringing greatly needed resources to communities facing coastal, riverine, and stormwater risks. All Virginia communities, but particularly those with riverine flood risks, need CFPF resources to build resilience against more frequent and [intensifying rainfall events](#), which cause devastating and costly floods everywhere. Virginia's coastal communities need CFPF resources to defend against the impacts of dangerous hurricanes and nor'easters, as well as more frequent nuisance flooding from higher tides and [rising sea levels](#). The CFPF local government flood resilience plan requirement is a forward-thinking approach to flood preparedness and resilience building in Virginia. We cannot afford to lose the consistent and reliable funding from RGGI auctions that ensures CFPF financing. We are running out of time to prepare for the impacts associated with a changing climate and there is no identified replacement source of funding for the CFPF if RGGI revenues are lost.

Wetlands Watch's two decades of work in flood risk management, resilience planning, and climate change adaptation has cultivated a deep understanding of the risks Virginia's communities face, the financial and personal costs of flood damage and remediation, and the barriers rural and under-resourced localities encounter in accessing critical resilience-building funds. From this expertise, we are certain that loss of the sole state funding source, particularly one that prioritizes community scale projects/planning and the use of nature based approaches to reduce risk, will have an

adverse impact on all Virginians. Sustainable resiliency, climate change adaptation, and mitigation of greenhouse gasses must continue to be core principles of our collective behavior. We must not go backwards.

**In closing, Virginia's participation in RGGI and the legislatively mandated allocation of reliable grant monies must be maintained to help all communities plan for, implement, and adapt to climate change. We thank you for this opportunity to comment on the proposed administrative action.**

Sincerely,

A handwritten signature in black ink that reads "Mary-Carson S. Stiff". The signature is written in a cursive style with a large, stylized initial "M".

Mary-Carson S. Stiff  
Executive Director

Wetlands Watch  
2601 Granby Street  
Norfolk, Virginia 23517  
[mc.stiff@wetlandswatch.org](mailto:mc.stiff@wetlandswatch.org)  
757-376-1364