

I'm delighted to be here.

**And I am delighted to be serving as the Governor's
Senior Advisor on Energy.**

**There is are few more dynamic and complex fields to
work in than this one and it is especially rewarding to
be able to put my hard won expertise – such as it is -
to work in this new role, to expand opportunities for
Virginia and Virginians, and to secure that we have an
adequate supply of reliable and reasonably priced
power to support our quality of life in the decades to
come.**

The Municipal Electric Power Association of Virginia and its members have hit my radar in a number of contexts recently, so I'm especially pleased to have this opportunity to be introduced to you.

And I bring you greetings from the Governor

I will try to share with you some of what we have in mind when we talk about making Virginia the Energy Capital of the East Coast.

I don't know how many of you know our new Governor, but if you do, you know that he is not one to let grass grow under his feet.

Although the budget and education led the way among the Governor's legislative efforts last session,

He also proposed several successful pieces of energy legislation.

I'll begin with a review of those, and then touch briefly on the larger agenda.

Two bills passed this session, HB787 and HB756,

position Virginia to be a leader in the development of oil and gas resources off the Atlantic Coast.

While the recent accident and resulting spill demands serious attention, it ought not deter us from exploring and developing our domestic oil and gas resources.

The Governor has embraced the President's call for a full examination of what happened in the Gulf, and is committed to ensuring the adequate safeguards and contingency plans are in place before off shore development takes place.

However, off shore development,

**conducted with careful regard for the environment and
military operations,**

**offers thousands of good paying jobs for Virginians, and
millions in revenue.**

**HB 787 states clearly the Commonwealth's policy in
support of offshore exploration, development, and
production of oil and natural gas,**

50 miles off of the coast.

HB 756 directs that

of any revenues or royalties recognized by the

**Commonwealth as the result of off shore oil and gas
leases,**

80% of those dollars would go to support transportation projects,

and the remaining 20% would go to the Virginia Coastal Energy Research Consortium to continue its work developing alternative renewable energy solutions.

BUT

And I can't emphasize this enough

Developing our domestic oil and gas resources is only one element of our comprehensive approach to developing Virginia's energy resources.

In addition to our oil and gas bills,

**the Governor also signed legislation to promote
alternative energy in Virginia.**

The Green Jobs Tax Credit legislation

**(SB623 and HB803), sponsored by Senator Hanger and
Delegate Poindexter**

**establishes a \$500 tax credit for the creation of “green”
jobs**

**The credit is intended to encourage job creation in the
renewable energy sector,**

**to incentivize companies to create quality green jobs in
small scale generation projects,**

as well as with conservation and energy efficiency products and services, pollution management systems and production of alternative transportation fuels, helping to put more Virginians to work, and encouraging the development of new business and industry in Virginia.

We also proposed legislation that creates the Universities Clean Energy Development and Economic Stimulus Foundation.

The Foundation is charged with identifying and obtaining funds, primarily public and private grant

funds, for research and development of alternative fuels,

clean energy production and related technologies.

The Foundation will also disburse and administer those funds,

and support, in particular, economic development projects in disadvantaged rural areas.

It is also expected to assist in the commercialization of alternative fuels and clean energy technologies that result from funded research.

The Governor also signed into law a bill to create the Virginia Offshore Wind Development Authority

That legislation was carried by Senator McEachin and Delegate Janis, with assistance from Senator Wagner who, as many of you know, is an enthusiastic and knowledgeable advocate of off shore wind.

The Authority will facilitate and support the development of the offshore wind projects off the coast of the Commonwealth, in federal waters.

Finally, we also supported legislation to strengthen Virginia's energy infrastructure.

By allowing for more immediate and effective cost recovery, for costs incurred to replace aging infrastructure, our gas companies can improve efficiency and safety in a more comprehensive way. It is expected that the ability to address infrastructure needs this way will result in fewer piecemeal repairs and lower maintenance costs over the long run.

These are just first steps to move us forward in making Virginia the energy capital of the East Coast and ensuring for a diverse energy portfolio to serve Virginia's citizens.

Because there is no silver bullet.

**There is no immediate and easy single energy answer
that will meet the ever increasing demand for**

electricity,

support transportation,

and address concerns for protecting the environment.

**In order to power Virginia's future we must work to
develop all of Virginia's abundant energy resources.**

**That means coal, and research and development of
clean coal technologies;**

Almost 50% of the nation's electricity is generated from coal, and there is nothing on the immediate horizon that has the capacity to replace coal as a cheap efficient fuel in that quantity.

Not to mention the facts that coal is a critical Virginia industry that supports the livelihoods, both directly and indirectly of so much of Southwest,

And Hampton Roads is the largest coal-exporting port in the nation.

It means wind – on shore, and especially off shore, where Virginia enjoys unique attributes –

**It means natural gas – as they say, the cleaner fossil fuel
– and available not just to generate electricity, but for
heat and transportation,**

And not just available from wells, but from land fills.

It means solar, waste to energy, and bio-mass

**Virginia has a ready resource in its waste wood
products, and there are a variety of crops not only
suitable for processing to fuel, but that can serve as
winter cover crops that will help us clean the Bay.**

And it means nuclear

We fully support Dominion moving forward with a third unit at North Anna, and hope that the “nuclear renaissance” will also mean expansion of Areva, Babcock and Wilcox and Norfolk Grumman.

So, Virginia’s new energy plan is a comprehensive one.

It includes examining needs and opportunities in every energy sector

And doing everything we can to make certain that we have a diverse portfolio of energy generation to meet the needs of Virginians.

It includes making sure we are educating our citizens for energy jobs, whether as nuclear engineers, or technicians installing new efficiency technologies.

We envision becoming home to new energy businesses and the expansion of those already here,

In support of the energy industry in other states as well.

The new Virginia Energy Plan is under construction.

Facts and figures are being updated

And we are making a concerted effort to produce a different kind of document.

Something that is more accessible –

that provides necessary information about the energy environment and resources in the Commonwealth, and that will support our efforts to make Virginia the Energy Capital of the East Coast.

Again, thank you for allowing me this chance to speak to you today. It is great to be with you.