

Department of Planning and Budget

2022 Fiscal Impact Statement

1. Bill Number: HB894

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|------------------------|---------------------------------------|--|------------------------------------|
| House of Origin | <input type="checkbox"/> Introduced | <input checked="" type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| Second House | <input type="checkbox"/> In Committee | <input type="checkbox"/> Substitute | <input type="checkbox"/> Enrolled |

2. Patron: Kilgore

3. Committee: Passed the House

4. Title: Generation of electricity and energy development in the Commonwealth.

5. Summary: The bill prohibits an electric generating unit located in the coalfield region of the Commonwealth capable of generating electricity from waste coal that began commercial operations after January 1, 2010, from being required to retire before such unit reaches the end of its useful life. The bill also adds the promotion of the deployment of broadband in Southwest Virginia as a duty of the existing Southwest Virginia Energy Research and Development Authority.

The bill requires the Department of Energy to consider the economic development of rural Virginia while minimizing the impact on prime farmland a key priority in completing its update to the Virginia Energy Plan scheduled for 2022. Additionally, the bill requires the Virginia Cooperative Extension (VCE) to develop a map or repository of prime farmland and in collaboration with the Department of Agriculture and Consumer Services (VDACS), the Department of Forestry (DOF), the Department of Conservation and Recreation (DCR), and the Department of Energy (DEN), and allows VCE to enter into agreements with private nonprofit groups for the purpose of gathering additional data to identify land with conservation easements or agricultural potential and land that would be more suitable for development with solar energy collection devices or energy storage devices. VCE may work with Phase I and Phase II Utilities to identify relevant distribution and transmission grid information to further assist localities in siting determinations regarding solar energy collection devices or energy storage devices. VCE is further required to submit to the Governor and the General Assembly an initial report on the development of a map or repository for prime farmland no later than December 1, 2022. The development of the report and recommendations by the VCE shall be funded either privately or through appropriations designated for specified activities required by the enactment of this bill.

Finally, the bill requires the State Corporation Commission (SCC) to develop a site readiness program for economic development sites identified by the Virginia Economic Development Partnership (VEDP) served by a Phase I Utility or Phase II Utility based on best practices in key competitor states. In developing this program, SCC is required to consult VEDP, local economic development officials, affected utilities, and other stakeholders as appropriate. SCC is required to implement such a program no later than December 1, 2022, and shall

report by December 15, 2022, to the Governor and General Assembly any recommendations it identifies for additional legislative changes in furtherance of site readiness specifically and economic development generally.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate. See item 8.

8. Fiscal Implications: It is anticipated that VDACS, DOF, and DEN can absorb any fiscal impact associated with this bill within existing resources. The Virginia Polytechnic Institute and State University's VCE program does not anticipate a fiscal impact as a result of this bill.

The SCC anticipates that this bill will have a fiscal impact, but estimates are not available at this time. Also, fiscal impact estimates from DCR and VEDP are unavailable.

9. Specific Agency or Political Subdivisions Affected: Department of Agriculture and Consumer Services ; Virginia Cooperative Extension; the Department of Forestry, the Department of Conservation and Recreation, and the Department of Energy; State Corporation Commission; Virginia Economic Development Partnership; localities

10. Technical Amendment Necessary: No.

11. Other Comments: None.