

VIRGINIA ACTS OF ASSEMBLY -- 2001 SESSION

CHAPTER 580

An Act to amend and reenact § 10.1-1322.3 of the Code of Virginia, relating to the air emissions and banking program.

[S 1386]

Approved March 24, 2001

Be it enacted by the General Assembly of Virginia:

1. That § 10.1-1322.3 of the Code of Virginia is amended and reenacted as follows:

§ 10.1-1322.3. Emissions trading programs; emissions credits; Board to promulgate regulations.

In accordance with § 10.1-1308, the Board may promulgate regulations to provide for emissions trading programs to achieve and maintain the National Ambient Air Quality Standards established by the United States Environmental Protection Agency, under the federal Clean Air Act. The regulations shall create an air emissions banking and trading program for the Commonwealth, to the extent not prohibited by federal law, that results in net air emission reductions, creates an economic incentive for reducing air emissions, and allows for continued economic growth through a program of banking and trading credits or allowances. *The regulations applicable to the electric power industry shall foster competition in the electric power industry, encourage construction of clean, new generating facilities, provide new source set-asides of five percent for the first five plan years and two percent per year thereafter, and provide an initial allocation period of five years.* In promulgating such regulations the Board shall consider, but not be limited to, the inclusion of provisions concerning (i) the definition and use of emissions reduction credits or allowances from mobile and stationary sources, (ii) the role of offsets in emissions trading, (iii) interstate or regional emissions trading, (iv) the mechanisms needed to facilitate emissions trading and banking, and (v) the role of emissions allocations in emissions trading. No regulations shall prohibit the direct trading of air emissions credits or allowances between private industries, provided such trades do not adversely impact air quality in Virginia.

2. That the provision of this act shall not be construed to require the State Air Pollution Control Board to reinitiate the regulatory process for the development of the regulations required by this act and that any changes made to comply with the provisions of this act may be made following the public comment period on the proposed regulations approved for public comment by the State Air Pollution Control Board on November 8, 2000.