

## 1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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

4 [S 1386]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 10.1-1322.3 of the Code of Virginia is amended and reenacted as follows:**

8 § 10.1-1322.3. Emissions trading programs; emissions credits; Board to promulgate regulations.

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

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

ENROLLED

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