

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: SB1347

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
 Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Wagner

3. Committee: Passed both Houses

4. Title: Wind energy development

5. Summary: The bill exempts small renewable energy projects with a rated capacity of less than 100 megawatts that will be operated or constructed by a nonutility generator from provisions that require State Corporation Commission (SCC) approval. The Department of Environmental Quality (DEQ) is designated as the lead agency for issuing permits for such projects.

6. Fiscal Impact Estimates: Final. See item 8.

6a. Expenditure Impact: See item 8.

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|--------------|
| 2010 | \$95,000 | 1.0 | general fund |
| 2011 | \$95,000 | 1.0 | general fund |
| 2012 | \$95,000 | 1.0 | general fund |
| 2013 | \$95,000 | 1.0 | general fund |
| 2014 | \$95,000 | 1.0 | general fund |
| 2015 | \$95,000 | 1.0 | general fund |

6b. Revenue Impact: Indeterminate. See item 8.

7. Budget Amendment Necessary: The approved amendments to Senate Bill 800/House Bill 1600 include \$75,000 and one position in Item 367#1c, beginning in FY 2010. General fund resources are needed until the permit fee revenue is established, and may be necessary beyond that point, depending on the number of applications submitted and the fee revenue.

8. Fiscal Implications: According to the Department of Environmental Quality, the department will need to employ one additional Environmental Specialist II. The annual ongoing personal services costs for the regulation development staffing needs are estimated to be \$89,537. Communications, technology, infrastructure, and employee support annual costs are estimated to be \$5,463.

It is anticipated that implementation of the permit program can be financed through the establishment of a dedicated special revenue fund from general permit revenues. Because there is no certainty about the number of future permit projects and when permit applications may be submitted, revenue projections cannot be made until the fee regulation is developed.

The bill provides for civil penalties to be paid to the Virginia Environmental Emergency Response Fund. The civil penalty revenue cannot be estimated at this time.

The bill provides that any person willfully violating or refusing, failing or neglecting to comply with the act, or any associated regulation, permit by rule, order, or certification shall be guilty of a Class 1 misdemeanor. In accordance with § 30-19.1:4, Code of Virginia, the Criminal Sentencing Commission has determined that cost for periods of imprisonment in state adult correctional facilities cannot be determined.

The State Corporation Commission states that the bill will have no fiscal impact on the commission.

9. Specific Agency or Political Subdivisions Affected: Department of Environmental Quality, State Corporation Commission, judicial system.

10. Technical Amendment Necessary: No.

Date: 3/11/2009 dpbkbs

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cc: Secretary of Natural Resources
Secretary of Finance