

## 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:** Commerce and Labor

**4. Title:** Wind energy development

**5. Summary:** The bill exempts wind 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:** Preliminary. See item 8.

**6a. Expenditure Impact:** See item 8.

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2009	\$15,861	1.0	general fund
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:** Yes, Item 367 of Senate Bill 850, Air Protection Planning and Policy. The funding is not included in the approved Finance Committee budget amendments. General fund resources will be 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, in order to meet the deadlines for rulemaking in the bill the department will need to employ one additional Environmental Specialist II beginning in April, 2009. 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:** The Department of Environmental Quality suggests that language be added to establish a special, nonreverting fund in the state treasury, to be known as the Small Renewable Energy Project Fee Fund, for collection and accounting of the fee revenue and program expenses.

**Date:** 2/12/2009 dpbkbs

**Document:** G:\09 FIS\DEQ\SB1347s1.doc

cc: Secretary of Natural Resources  
Secretary of Finance