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SENATE BILL NO. 1365

FLOOR AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by Delegate O'Quinn on February 20, 2015)

(Patron Prior to Substitute—Senator Watkins)

A BILL to require the Department of Environmental Quality to consider certain factors in its development of a state plan to regulate carbon dioxide emissions from existing stationary sources.

Be it enacted by the General Assembly of Virginia:

1. § 1. That as used in this act:

"Covered electric generating unit" means an existing fossil fuel-fired electric generating unit within the Commonwealth that is subject to regulation under the federal emission guidelines.

"DEQ" means the Department of Environmental Quality.

"EPA" means the U.S. Environmental Protection Agency or its administrator.

"Federal emission guidelines" means any final rules, regulations, guidelines, or other requirements that the EPA may adopt for regulating carbon dioxide emissions from covered electric generating units under § 111(d) of the federal Clean Air Act.

"SCC" means the Virginia State Corporation Commission.

"State plan" means any plan to establish and enforce carbon dioxide emission control measures that DEQ may prepare in order to implement the obligations of the Commonwealth under the federal emission guidelines.

§ 2. In its development of any state plan for regulating carbon dioxide emissions from covered electric generating units, DEO shall:

a. Consider all of the following in the development of the state plan:

- (1) Whether to rely on measures the EPA used to calculate the carbon dioxide reduction goal, as well as other measures that were not part of the EPA goal-setting process;
- (2) Whether the Commonwealth should participate in multistate programs that already exist or whether a new multistate carbon dioxide reduction program should be created;
- (3) Whether the Commonwealth should invest in energy efficiency programs during the compliance period to assist in meeting the EPA's goal;
 - (4) Whether the Commonwealth should work in partnership with other states;
 - (5) When individual power plants must make reductions;
 - (6) The expansion of nonemitting sources, such as nuclear power;
 - (7) Market-based trading programs;
 - (8) Other energy conservation programs; and
 - (9) How best to avoid stranded investments in existing affected power plants;
 - b. Seek input and comment from the SCC during the development of the state plan;
- c. Meet with such members of the General Assembly of Virginia who desire to provide input to DEQ regarding development of the state Plan;
- d. Take into consideration the necessity and value to having a diverse generation fleet to ensure electric reliability in the Commonwealth.
- § 3. Not later than 15 days following the completion of DEQ's development of a state plan, the DEQ shall transmit to the Senate and the House of Delegates a copy of the state plan and the accompanying report developed in accordance with subdivision a of § 2. Upon receiving the state plan and accompanying report, the Senate and the House of Delegates may vote on a resolution to approve the state plan after sufficient time has been provided to assess the state plan and accompanying report. The resolution shall be deemed approved by the Senate and the House of Delegates if each chamber casts a majority of votes in favor of the resolution.
- § 4. If either the Senate or the House of Delegates fails to approve a state plan under § 3, the DEQ may submit a revised version of the state plan, with an accompanying revised report, to the Senate and the House of Delegates for approval in accordance with the procedures specified under § 3.
- § 5. The DEQ shall not submit to EPA any state plan until both the Senate and the House of Delegates have adopted resolutions that approve the state plan in accordance with this act.