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SENATE BILL NO. 1365

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Agriculture, Conservation and Natural Resources
on February 5, 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, DEQ 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. By December 1, 2015, and annually thereafter until December 1, 2019, DEQ shall submit a report to the Governor and the General Assembly setting forth the status of the development of the state plan, including available information regarding any changes to the Federal guidelines, the process DEQ is using to develop the state plan, and any available details of the state plan.