

Department of Planning and Budget

2015 Fiscal Impact Statement

1. Bill Number: HB1846

House of Origin X Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Marshall, D.W.

3. Committee: Agriculture, Chesapeake and Natural Resources

4. Title: Monitoring and testing of coal combustion residuals.

5. Summary: Requires owners or operators of electric generating facilities and landfills that manage coal combustion residuals (CCRs) to test private wells and springs located within a radius specified by the Department of Environmental Quality (DEQ) to determine the levels of heavy metals. If the facility or landfill has a liner, leachate controls, and groundwater monitoring, it is exempt from the testing requirement. The tests are to occur in the fourth quarter of each year, unless the owner of the well or spring waives the testing or DEQ determines no further testing is necessary. If the test indicates the presence of heavy metal at a level that exceeds drinking water or water quality standards, the owner or operator of an electric generating facility or landfill is required to report the exceedance within 24 hours of receiving the test results to (i) DEQ; (ii) the Virginia Department of Health (VDH); and (iii) the chief administrative officer of every locality, every private well and spring owner, and every water well systems provider, as well as local media, within the affected area. The owners or operators are also required to develop a response plan to remediate the exceedance and protect human health and the environment, and the plan is to be submitted to DEQ and VDH.

6. Budget Amendment Necessary: No, see Item 8.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: The owner or operator of the electric generating facility or landfill shall develop a response plan to remediate any exceedance and protect human health and the environment from the presence of CCRs, and shall provide such plan to the Department of Environmental Quality (DEQ) and the Virginia Department of Health (VDH). The Virginia Waste Management Board, in consultation with the Commissioner of Health, may require that the response plan include any necessary action to address the exceedance, including stopping the source of the exceedance, abating the exceedance, abandoning private wells, and providing potable water either by appropriate treatment or by providing an alternative water source.

Currently, there are twelve facilities in eight political subdivisions. According to VDH, the development and review of response plans to remediate private wells and springs impacted by CCR management sites is a new process to their agency. Based on experience with other emergency response planning efforts, VDH estimates a range of 36 to 72 hours for staff to assist in the development and review of each of the 12 response plans. Based on this estimate, VDH may need to hire a one-time wage position. This would cost from \$13,966 to \$27,640 in FY 2016. It is anticipated that VDH could absorb this expenditure within existing resources.

According to DEQ, any expenditure impact to the agency could be absorbed within existing resources.

A violation of the bill's provisions would be subject to a civil penalty of up to \$32,000 per violation, not to exceed \$100,000 per administrative order. Any such revenue resulting from the penalty would be deposited to the Virginia Environmental Emergency Response Fund. This bill also permits DEQ, or the Virginia Waste Management Board, to recover the costs of any action taken by the Board or DEQ to address or remediate the release of CCRs.

- 9. Specific Agency or Political Subdivisions Affected:** The Department of Environmental Quality, the Virginia Department of Health, and specific localities that have electric generating facilities, court system.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 01/29/2015

Cc: Secretary of Natural Resources
Virginia Department of Health