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SENATE BILL NO. 743

Offered January 22, 2016

A *BILL to amend and reenact §§ 45.1-390 and 58.1-3660 of the Code of Virginia, relating to the Department of Mines, Minerals and Energy; Division of Energy; powers and duties.*

Patron—Wagner

Referred to Committee on Agriculture, Conservation and Natural Resources

Be it enacted by the General Assembly of Virginia:

1. That §§ 45.1-390 and 58.1-3660 of the Code of Virginia are amended and reenacted as follows:

§ 45.1-390. Division of Energy established; findings and policy; powers and duties.

The General Assembly finds that because energy-related issues continually confront the Commonwealth, and many separate agencies are involved in providing energy programs and services, there exists a need for a state organization responsible for coordinating Virginia's energy programs and ensuring Virginia's commitment to the development of renewable and indigenous energy sources, as well as the efficient use of traditional energy resources. In accordance with this need, the Division of Energy is created in the Department of Mines, Minerals and Energy. The Director shall have the immediate authority to coordinate development and implementation of energy policy in Virginia.

The Division shall coordinate the energy-related activities of the various state agencies and advise the Governor on energy issues that arise at the local, state and national levels. All state agencies and institutions shall cooperate fully with the Division to assist in the proper execution of the duties assigned by this section.

In addition, the Division is authorized to make and enter into all contracts and agreements necessary or incidental to the performance of its duties or the execution of its powers, including the implementation of energy information and conservation plans and programs.

The Division shall:

1. Consult with any or all state agencies and institutions concerning energy-related activities or policies as needed for the proper execution of the duties assigned to the Division by this section;

2. Maintain liaison with appropriate agencies of the federal government on the activities of the federal government related to energy production, consumption, transportation and energy resource management in general;

3. Provide services to encourage efforts by and among Virginia businesses, industries, utilities, academic institutions, state and local governments and private institutions to develop energy conservation programs and energy resources;

4. In consultation with the State Corporation Commission, the Department of Environmental Quality, and the Center for Coal and Energy Research, prepare the Virginia Energy Plan pursuant to § 67-201; and

5. Observe the energy-related activities of state agencies and advise these agencies in order to encourage conformity with established energy policy; and

6. *Serve, pursuant to § 58.1-3660, as the state certifying authority for solar energy for projects of a generation capacity of five megawatts in alternating current (AC) or less and for the production of coal, oil, and gas, including gas, natural gas, and coalbed methane gas.*

§ 58.1-3660. Certified pollution control equipment and facilities.

A. Certified pollution control equipment and facilities, as defined herein, are hereby declared to be a separate class of property and shall constitute a classification for local taxation separate from other such classification of real or personal property and such property. Certified pollution control equipment and facilities shall be exempt from state and local taxation pursuant to Article X, Section 6 (d) of the Constitution of Virginia.

B. As used in this section:

"Certified pollution control equipment and facilities" shall mean any property, including real or personal property, equipment, facilities, or devices, used primarily for the purpose of abating or preventing pollution of the atmosphere or waters of the Commonwealth and which the state certifying authority having jurisdiction with respect to such property has certified to the Department of Taxation as having been constructed, reconstructed, erected, or acquired in conformity with the state program or requirements for abatement or control of water or atmospheric pollution or contamination. Such property shall include, but is not limited to, any equipment used to grind, chip, or mulch trees, tree stumps, underbrush, and other vegetative cover for reuse as mulch, compost, landfill gas, synthetic or natural gas recovered from waste or other fuel, and equipment used in collecting, processing, and distributing, or

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59 generating electricity from, landfill gas or synthetic or natural gas recovered from waste, whether or not
60 such property has been certified to the Department of Taxation by a state certifying authority. Such
61 property shall also include solar energy equipment, facilities, or devices owned or operated by a business
62 that collect, generate, transfer, or store thermal or electric energy whether or not such property has been
63 certified to the Department of Taxation by a state certifying authority. For solar photovoltaic (electric
64 energy) systems, this exemption applies only to projects equaling 20 megawatts or less, as measured in
65 alternating current (AC) generation capacity. Such property shall not include the land on which such
66 equipment or facilities are located.

67 "State certifying authority" shall mean the State Water Control Board, for water pollution; the State
68 Air Pollution Control Board, for air pollution; the Department of Mines, Minerals and Energy, for *solar*
69 *energy for projects of a generation capacity of five megawatts in alternating current (AC) or less and*
70 *for coal, oil, and gas production, including gas, natural gas, and coalbed methane gas; and the Virginia*
71 *Waste Management Board, for waste disposal facilities, natural gas recovered from waste facilities, and*
72 *landfill gas production facilities, and shall include any interstate agency authorized to act in place of a*
73 *certifying authority of the Commonwealth.*