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SENATE BILL NO. 94

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Commerce and Labor
on January 20, 2020)

(Patron Prior to Substitute—Senator Favola)

A BILL to amend and reenact §§ 67-102 and 67-201 of the Code of Virginia, relating to the Commonwealth Energy Policy and Virginia Energy Plan.

Be it enacted by the General Assembly of Virginia:

1. That §§ 67-102 and 67-201 of the Code of Virginia are amended and reenacted as follows:

§ 67-102. Commonwealth Energy Policy.

A. To achieve the objectives enumerated in § 67-101, it shall be the policy of the Commonwealth to:

1. Support research and development of, and promote the use of, renewable energy sources;
2. Ensure that the combination of energy supplies and energy-saving systems are sufficient to support the demands of economic growth;

3. Promote research and development of clean coal technologies, including but not limited to integrated gasification combined cycle systems;

4. Promote cost-effective conservation of energy and fuel supplies;

5. Ensure the availability of affordable natural gas throughout the Commonwealth by expanding Virginia's natural gas distribution and transmission pipeline infrastructure; developing coalbed methane gas resources and methane hydrate resources; encouraging the productive use of landfill gas; and siting one or more liquefied natural gas terminals;

4. Ensure the adequate supply of natural gas necessary to ensure the reliability of the electricity supply and the needs of businesses during the transition to renewable energy.

6. 5. Promote the generation of electricity through technologies that do not contribute to greenhouse gases and global warming;

7. Facilitate the development of new, and the expansion of existing, petroleum refining facilities within the Commonwealth;

8. 6. Promote the use of motor vehicles that utilize alternate fuels and are highly energy efficient;

9. 7. Support efforts to reduce the demand for imported petroleum by developing alternative technologies, including but not limited to the production of synthetic and hydrogen-based fuels, and the infrastructure required for the widespread implementation of such technologies;

10. Promote the sustainable production and use of biofuels produced from silvicultural and agricultural crops grown in the Commonwealth, and support the delivery infrastructure needed for statewide distribution to consumers;

11. 8. Ensure that development of new, or expansion of existing, energy resources or facilities does not have a disproportionate adverse impact on economically disadvantaged or minority communities; and

12. Ensure that energy generation and delivery systems that may be approved for development in the Commonwealth, including liquefied natural gas and related delivery and storage systems, should be located so as to minimize impacts to pristine natural areas and other significant onshore natural resources, and as near to compatible development as possible

9. Establish greenhouse gas emissions reduction standards across all sectors of Virginia's economy that target net-zero emissions carbon by 2045;

10. Enact mandatory clean energy standards and overall strategies for reaching net-zero carbon in the electric power sector by 2040;

11. Equitably incorporate requirements for technical, policy, and economic analyses and assessments that recognize the unique attributes of different energy resources and delivery systems to identify pathways to net-zero carbon that maximize Virginia's energy reliability and resilience, economic development, and jobs; and

12. Minimize the negative impacts of climate change and the energy transition on economically disadvantaged or minority communities and prioritize investment in these areas.

B. The elements of the policy set forth in subsection A shall be referred to collectively in this title as the Commonwealth Energy Policy.

C. All agencies and political subdivisions of the Commonwealth, in taking discretionary action with regard to energy issues, shall recognize the elements of the Commonwealth Energy Policy and where appropriate, shall act in a manner consistent therewith.

D. The Commonwealth Energy Policy is intended to provide guidance to the agencies and political subdivisions of the Commonwealth in taking discretionary action with regard to energy issues, and shall not be construed to amend, repeal, or override any contrary provision of applicable law. The failure or refusal of any person to recognize the elements of the Commonwealth Energy Policy, to act in a manner

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60 consistent with the Commonwealth Energy Policy, or to take any other action whatsoever, shall not
61 create any right, action, or cause of action or provide standing for any person to challenge the action of
62 the Commonwealth or any of its agencies or political subdivisions.

63 **§ 67-201. Development of the Virginia Energy Plan.**

64 A. The Division, in consultation with the State Corporation Commission, the Department of
65 Environmental Quality, and the Center for Coal and Energy Research Clean Energy Advisory Board,
66 solar, wind, and energy efficiency sectors, and a stakeholder group that shall include representatives of
67 consumer, environmental, manufacturing, and agricultural organizations and electric utilities, shall
68 prepare a comprehensive Virginia Energy Plan covering that identifies actions over a 10-year period
69 consistent with the goal of the Commonwealth Energy Policy set forth in § 67-102 to achieve, no later
70 than 2045, a net-zero carbon energy economy for all sectors, including electricity, transportation,
71 building, and industrial sectors. The Plan shall propose actions, consistent with the objectives
72 enumerated in § 67-101, that will implement the Commonwealth Energy Policy set forth in § 67-102.

73 B. In addition, the Plan shall include:

74 1. Projections of energy consumption in the Commonwealth, including but not limited to the use of
75 fuel sources and costs of electricity, natural gas, gasoline, coal, renewable resources, and other forms of
76 non-greenhouse-gas-generating energy resources, such as nuclear power, used in the Commonwealth;

77 2. An analysis of the adequacy of electricity generation, transmission, and distribution resources in
78 the Commonwealth for the natural gas and electric industries, and how distributed energy resources and
79 regional generation, transmission, and distribution resources affect the Commonwealth;

80 3. An analysis of siting requirements for electric generation resources and natural gas and electric
81 transmission and distribution resources, including an assessment of state and local impediments to
82 expanded use of distributed resources and recommendations to reduce or eliminate these impediments;

83 4. An analysis of fuel diversity for electricity generation, recognizing the importance of flexibility in
84 meeting future capacity needs;

85 5. An analysis of the efficient use of energy resources and conservation initiatives;

86 6. An analysis of how these Virginia-specific issues relate to regional initiatives to assure the
87 adequacy of fuel production, generation, transmission, and distribution assets;

88 7. An analysis of siting of energy resource development, refining or transmission facilities to identify
89 any disproportionate adverse impact of such activities on economically disadvantaged or minority
90 communities;

91 8. With regard to any regulations proposed or promulgated by the U.S. Environmental Protection
92 Agency to reduce carbon dioxide emissions from fossil fuel-fired electric generating units under § 111(d)
93 of the Clean Air Act, 42 U.S.C. § 7411 (d), an analysis of (i) the costs to and benefits for energy
94 producers and electric utility customers; (ii) the effect on energy markets and reliability; and (iii) the
95 commercial availability of technology required to comply with such regulations; and

96 9. An inventory of greenhouse gas emissions using a method determined by the Department of
97 Environmental Quality for the four years prior to the issuance of the Plan and projections for the
98 greenhouse gas emissions that would result from the implementation of the Plan's proposed actions; and

99 10. Recommendations, based on the analyses completed under subdivisions 1 through 8 9, for
100 legislative, regulatory, and other public and private actions to implement the elements of the
101 Commonwealth Energy Policy.

102 C. In preparing the Plan, the Division and other agencies involved in the planning process shall
103 utilize state geographic information systems, to the extent deemed practicable, to assess how
104 recommendations in the plan may affect pristine natural areas and other significant onshore natural
105 resources.

106 D. In preparing the Plan, the Division and other agencies involved in the planning process shall
107 develop a system for ascribing numerical scores to parcels of real property based on the extent to which
108 the parcels are suitable for the siting of a wind energy facility or solar energy facility. For wind energy
109 facilities, the scoring system shall address the wind velocity, sustained velocity, turbulence, proximity to
110 electric power transmission systems, potential impacts to natural and historic resources and to
111 economically disadvantaged or minority communities, and compatibility with the local land use plan. For
112 solar energy facilities, the scoring system shall address the parcel's proximity to electric power
113 transmission lines, potential impacts of such a facility to natural and historic resources and to
114 economically disadvantaged or minority communities, and compatibility with the local land use plan.
115 The system developed pursuant to this section shall allow the suitability of the parcel for the siting of a
116 wind energy facility or solar energy facility to be compared to the suitability of other parcels so scored,
117 and shall be based on a scale that allows the suitability of the parcel for the siting of a such an energy
118 facility to be measured against the hypothetical score of an ideal location for such a facility.

119 E. After July 1, 2007, upon receipt by the Division of a recommendation from the Department of
120 General Services, a local governing body, or the parcel's owner that a parcel of real property is a
121 potentially suitable location for a wind energy facility or solar energy facility, the Division shall analyze

122 the suitability of the parcel for the location of such a facility. In conducting its analysis, the Division
123 shall ascribe a numerical score to the parcel using the scoring system developed pursuant to subsection
124 D.