

Department of Planning and Budget

2021 Fiscal Impact Statement

1. Bill Number: HB2148

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Willett

3. Committee: Agriculture, Chesapeake and Natural Resources

4. Title: Small renewable energy projects; energy storage.

5. Summary: Includes in the definition of a "small renewable energy project" certain energy storage facilities and projects that include storage facility components. Such facilities are eligible for special permitting, review, and inspection requirements. The bill directs the Department of Environmental Quality to promulgate initial regulations to implement the provisions of the bill by January 1, 2022.

6. Budget Amendment Necessary: Yes, Item 378, HB1800/SB1100

7. Fiscal Impact Estimates: Preliminary. See Item 8.

7a. Expenditure Impact: Department of Environmental Quality

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2021	N/A	N/A	N/A
2022	\$115,500	1.0	GF
2023	\$115,500	1.0	GF
2024	\$115,500	1.0	GF
2025	\$115,500	1.0	GF
2026	\$115,500	1.0	GF
2027	\$115,500	1.0	GF

8. Fiscal Implications: The Department of Environmental Quality (DEQ) anticipates an expenditure impact as a result of this bill. According to DEQ, this bill will result in an increase in workload that cannot be absorbed by existing staff. Current program capacity is not qualified to take on the anticipated changes in permitting and compliance activities that will result from expanding the definition of small renewable energy projects. According to DEQ, the agency lacks in-house expertise related specifically to the inspection, review, and permitting of projects that include battery storage, which is an emerging technology, and the department will hire additional staff with the necessary skill set to address the anticipated changes in permitting and compliance activities that will result from expanding the definition of small renewable energy projects. To meet the expansion of program scope, one Environmental Specialist II position, at an annual cost of \$115,500, from the general fund is necessary.

HB1800/SB1100, as introduced, includes \$11.9 million in ongoing general fund support starting fiscal year 2022 to restore and enhance DEQ's capacity for water protection and solid waste permitting; community outreach; air and water monitoring; and protection of the Chesapeake Bay. As introduced, HB1800/SB110030 does not include additional support for permit-by-rule eligibility expansions.

9. Specific Agency or Political Subdivisions Affected: Department of Environmental Quality.

10. Technical Amendment Necessary: No.

11. Other Comments: None.