

State Corporation Commission 2023 Fiscal Impact Statement

1. Bill Number: SB1231

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

2. Patron: Lewis

3. Committee: Passed both Houses.

4. Title: Renewable energy; biomass-fired facilities; Department of Forestry advisory panel and report.

5. Summary: Removes the renewable energy requirement for each Phase I and Phase II Utility to retire all biomass-fired electric generating units that do not co-fire with coal by December 31, 2028. The bill provides that biomass-fired facilities may qualify as renewable energy standard eligible sources, provided that they are in operation as of January 1, 2023, and (i) supply no more than 10 percent of their annual net electrical generation to the electric grid or no more than 15 percent of their annual total useful energy to any entity other than the manufacturing facility to which the generating source is interconnected and are fueled by forest-product manufacturing materials harvested in accordance with best management practices or (ii) are owned by a Phase I or Phase II Utility, have less than 52 megawatts capacity, and are fueled by forest-product manufacturing residuals, biowastes, or biomass harvested in accordance with best management practices.

The bill directs the Department of Forestry to convene an advisory panel to examine the use of forest-related materials, agricultural-related materials, and solid woody waste materials for biomass-fired electric generating units in the Commonwealth and to submit a report of the advisory panel's findings and any recommendations to the House Committee on Commerce and Energy and the Senate Committee on Commerce and Labor no later than December 1, 2024.

The bill further directs the Department of Forestry to develop by December 1, 2023, best management practices for the sustainable harvesting of biomass for biomass-fired electric generating units that are subject to the provisions of the bill.

This bill is identical to HB 2026.

6. Budget Amendment Necessary: No

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

8. Fiscal Implications: There is no fiscal impact on the State Corporation Commission.

The Department of Forestry reports that there is no fiscal impact for managing the work of the advisory panel and resulting report by December 1, 2024.

The Department of Forestry will use existing resources to study and issue best management practices for sustainable harvesting of biomass including a life-cycle carbon analysis developed in coordination with the Department of Environmental Quality by December 1, 2023.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission; Department of Forestry; Department of Environmental Quality.

10. Technical Amendment Necessary: No

11. Other Comments: None.