

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number SB1152

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron Norment

3. Committee Passed Both Houses.

4. Title Energy grant programs.

5. Summary/Purpose: This bill requires an appropriation be made before the Renewable Electricity Production Grant Fund and Solar and Wind Energy System Acquisition Fund (created by the 2006 Virginia Energy Plan) become effective. As originally enacted, the Act provided that each Fund's enabling legislation would expire on July 1, 2009 if monies were not deposited to the Funds by that time. The measure also provides that the grants do not apply to activities occurring prior to January 1, 2007, revises the process by which eligible persons may apply for a grant, and requires that eligible wind-power generators must meet applicable performance and quality standards as specified by the Department of Mines, Minerals and Energy (DMME).

6. No Fiscal Impact

7. Budget amendment necessary: No.

8. Fiscal implications: There is no direct fiscal impact from this bill since the grant programs have not yet received any appropriations, and this bill delays their effective date until appropriations are provided. The cost to the state when the programs are funded is indeterminate as DMME does not have accurate data on the amount of electricity generated from eligible resources or the number of alternate energy systems being installed.

The bill strikes the current carryover provision for when grants are insufficient to cover obligations, preventing the state from amassing obligations to these unfunded grant programs.

This bill also (i) makes grants available on a first-come, first-serve basis, (ii) adds solar generated electricity to the types of renewable energy resources eligible for the renewable energy production grant, (iii) provides that grants do not apply to activities occurring prior to January 1, 2007, and (iv) requires eligible wind-power generators must meet applicable performance and quality standards as specified by DMME. DMME anticipates that these provisions will not result in an additional fiscal impact on the state.

9. Specific agency or political subdivisions affected: Department of Mines, Minerals and Energy.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 3/7/07 / aek

Document: G:\2007 Fiscal Impact Statements\SB1152ER.Doc

cc: Secretary of Commerce and Trade