

State Corporation Commission 2009 Fiscal Impact Statement

1. Bill Number: HB2171

House of Origin	<u> X </u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Vanderhye

3. Committee: Commerce and Labor

4. Title: Electrical generation from agricultural waste.

5. Summary: Excludes any farm or aggregation of farms that owns and operates facilities within the Commonwealth for the generation of electric energy from waste-to-energy technology, including methane digesters, from regulation as a public utility, public service corporation, or public service company. To be eligible for such designation, a person must obtain at least 51 percent of its annual gross income from agricultural operations and produce the agricultural waste that is used as feedstock in the generation of the electricity. Such generator will be permitted to interconnect to the electric grid in accordance with regulations to be adopted by the State Corporation Commission. The measure also provides that such generators of electricity shall not be considered "manufacturers" under any provision of the Code of Virginia.

6. Fiscal Impact Estimates: Not available, see Item 8.

7. Budget Amendment Necessary: None

8. Fiscal Implications: House Bill 2171 provides for certain farm(s) to generate electricity and interconnect to the electric grid, but doesn't address to whom or how such electricity shall be used, delivered or net metered. Such generation could potentially affect electric utility rates.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission

10. Technical Amendment Necessary: Possibly. The legislation in effect expands the definition of biomass and does not address permitting or the use of electricity produced by a generator.

11. Other Comments: The legislation requires the State Corporation Commission to adopt regulations.

Date: 1/20/09 T. Faherty
cc: Secretary of Commerce and Trade