

## Department of Planning and Budget 2015 Fiscal Impact Statement

**1. Bill Number:** HB1650

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

**2. Patron:** Villanueva

**3. Committee:** Agriculture, Chesapeake and Natural Resources

**4. Title:** Renewable energy property grants.

**5. Summary:** Establishes, beginning with fiscal year 2016, grants for placing into service renewable energy property. The grant would equal 35 percent of the costs paid or incurred to place the renewable energy property into service, not to exceed \$2.5 million for any individual piece of renewable energy property. The bill provides that grants in excess of 2.5 percent of the total program appropriation for the relevant fiscal year would be paid in three equal calendar year installments. No grant would be awarded for renewable energy property that generated electricity within the 12 months preceding the date of the grant application or renewable energy property paid for by utility ratepayer funds. The bill defines renewable energy as energy derived from sunlight, wind, falling water, biomass, waste, landfill gas, municipal solid waste, wave motion, tides, or geothermal power, but not including energy derived from coal, oil, natural gas, or nuclear power. The Department of Mines, Minerals and Energy (DMME) would administer the grant program. The Department would be authorized, subject to appropriation, to award up to \$10 million in renewable energy property grants each fiscal year. The bill provides for the reimbursement to DMME for costs associated with administering the program, up to (i) \$200,000 or (ii) five percent of the annual program cap, whichever is less.

**6. Budget Amendment Necessary:** Indeterminate. See item 8, below. A budget amendment is needed to capitalize the Fund.

**7. Fiscal Impact Estimates:** Preliminary. See item 8, below.

**8. Fiscal Implications:** Grants would be paid out of the Renewable Energy Property Grant Fund, which is subject to appropriation. This bill does not identify a dedicated funding source for the Fund; therefore, a budget amendment will be needed to capitalize the fund before any grants could be awarded.

The bill provides for the reimbursement to DMME for costs associated with administering the program, up to (i) \$200,000 or (ii) five percent of the annual program cap, whichever is less. "Annual program cap" is defined as the total amount of grant funds appropriated by the General Assembly for the respective fiscal year. This would be sufficient to cover the costs incurred by the agency in administration of this program. There is no anticipated fiscal impact on DMME outside of the reimbursable costs.

**9. Specific Agency or Political Subdivisions Affected:** Department of Mines, Minerals and Energy, Department of Accounts.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.