Department of Planning and Budget
2015 Fiscal Impact Statement

1. **Bill Number:** SB1449

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

2. **Patron:** Saslaw

3. **Committee:** Appropriations

4. **Title:** Virginia Energy Economic Development Advisory Board; Governor's Energy Fund; report.

5. **Summary:** The bill establishes Governor's Powering Economic Growth Program. The program would allow the Governor to accept energy credits from participating investor-owned utilities. The Governor can then award those credits as part of the incentive packages offered to qualifying economic development projects. When awarded, these credits can be used by the qualifying economic development projects to reduce the cost of electricity. The Virginia Economic Development Partnership will be required to establish program guidelines and criteria, tracking the credits, and monitoring compliance with job creation, investment, power consumption, or other program criteria. The bill also allows the program to accept any outside sources of funding to fulfill the purposes of the program.

6. **Budget Amendment Necessary**: No.

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

8. **Fiscal Implications:** The fiscal impacts to the Virginia Economic Development Partnership (VEDP) are indeterminate. The bill requires VEDP to develop guidelines and criteria for the Governor's Powering Economic Growth Program. Most of the required criteria, such as job creation, capital investment, and anticipated tax revenue, are common in VEDP's development of guidelines for other economic development programs. The bill also includes estimated power consumption as a required criterion. While VEDP does not have extensive experience with estimating power consumption, VEDP could consult with the Department of Mines, Minerals, and Energy or the State Corporation Commission in developing the program, as both agencies work with the energy sector. It is anticipated that the costs of developing the program guidelines and criteria will be minimal and can be absorbed using current resources.

   The bill provides that VEDP will be responsible for monitoring the qualified economic development projects which have received awards from the program to determine if the are successful in meeting established criteria. The impact to VEDP is dependent on the size and scope of the program. The potential size of the program is dependent on the level of participation of the investor-owned utility companies in providing credits and the number of awards made by the program. At this time, it is not possible to determine the level of utility participation or the potential number or size of the awards which may be given. As a result, it is not possible to determine the fiscal impact to VEDP.

9. **Specific Agency or Political Subdivisions Affected:** Virginia Economic Development Partnership, Office of the Governor, Secretary of Commerce and Trade.

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

11. **Other Comments:** None.