

Department of Planning and Budget 2019 Fiscal Impact Statement

1. Bill Number: HB2611

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

2. Patron: Poindexter

3. Committee: Agriculture, Chesapeake and Natural Resources

4. Title: Regional Greenhouse Gas Initiative; prohibition on participation by Commonwealth.

5. Summary: Prohibits the Governor or any state agency from adopting any regulation establishing a carbon dioxide cap-and-trade program or bringing about the participation by the Commonwealth in a regional market for the trading of carbon dioxide allowances. The bill provides that the Commonwealth shall be allowed to participate in such a cap-and-trade program if the House of Delegates and the Senate of Virginia each adopt a resolution by a two-thirds vote that specifically references and approves the regulatory text proposed for adoption by a state agency.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See #8.

8. Fiscal Implications: The Air Pollution Control Board has a regulation at the proposed stage that establishes an emissions trading program (9 VAC 5 □ 140). The Department of Environmental Quality, which is responsible for carrying out the mandates of the Virginia Air Pollution Control Law on behalf of the Air Pollution Control Board, estimates that participation in a program to limit and reduce the total carbon dioxide emissions released by electric generation facilities may generate approximately \$65 million annually beginning in 2020, with yearly reductions of three percent until 2030. Under the proposed regulation, 95 percent of these funds will be passed on to the public through utility rebates, and five percent will be received as nongeneral fund revenue by the Department of Mines, Minerals and Energy for the abatement and control of carbon dioxide air pollution.

9. Specific Agency or Political Subdivisions Affected: Department of Environmental Quality, Office of the Governor

10. Technical Amendment Necessary: No.

11. Other Comments: None.