

## **Department of Planning and Budget**

### **2020 Fiscal Impact Statement**

**1. Bill Number:** HB754

<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:** Kilgore

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

**4. Title:** Virginia Brownfield and Coal Mine Renewable Energy Grant Fund and Program; handbook.

**5. Summary:** Establishes the Virginia Brownfield Renewable Energy and Coal Mine Grant Fund and Program. The fund and program shall be administered by the Department of Mines, Minerals and Energy (DMME), for the purpose of awarding grants to renewable energy projects that are located on brownfields or previously coal mined lands. Grants are to be awarded on a basis of \$500 per kilowatt of nameplate capacity from renewable energy sources that are located on previously coal mined lands and \$100 per kilowatt of nameplate capacity from renewable energy sources that are located on brownfields.

No more than \$10 million shall be awarded to any previously coal mined lands project and no more than \$5 million to any single brownfield project. No more than \$35 million shall be allocated per year by the grant program. Of the \$35 million, \$20 million shall be reserved for previously coal mined lands projects. If less than \$20 million is distributed to such projects, the remaining funds may be reallocated to brownfield projects. The bill also provides that, subject to appropriation, the Department shall, in consultation with stakeholders, develop a guidebook for renewable energy and energy storage development on brownfields and previously coal mined lands.

**6. Budget Amendment Necessary:** See item 8, below.

**7. Fiscal Impact Estimates:** Preliminary. See Item 8.

**8. Fiscal Implications:** This bill establishes the Virginia Brownfield Renewable Energy and Coal Mine Grant Fund and Program, for the purposes of awarding grants from the Fund and implementing and administering the program. A budget amendment of an indeterminate amount would be needed to capitalize the Fund. In addition to implementing and administering the Fund and program, subject to the appropriation of funds, this bill requires DMME, in consultation with the Department of Environmental Quality (DEQ), localities, interest groups, businesses, and stakeholders, to develop an online handbook for renewable energy and energy storage development on brownfields and previously coal mined lands.

This bill would increase the administrative responsibilities of the Department of Mines, Minerals and Energy (DMME). As part of its implementation and administrative

responsibilities, DMME, in consultation with DEQ, is required to establish and publish guidelines and criteria for grant awards from the Fund. The Fund is based on an indeterminate appropriation, gifts, donations, grants, bequest, and other funds received on its behalf; the bill authorizes the use of up to 10 percent of the money available in the fund in each year for implementation and administration. Depending on the size and scale of the program, DMME anticipates that an additional classified position may be required to administer the Fund and Program but is indeterminate at this time.

It is anticipated that the Department of Environmental Quality (DEQ) can absorb the impact from this bill with existing resources. DEQ administers a brownfields program per § 10.1-1231 of the Code of Virginia.

It is anticipated that this bill will not result in a fiscal impact to the Department of Historic Resources (DHR), as DHR anticipates that the grantee would use a portion of the grant funds to hire private consultants for appropriate treatment of grave sites, significant archaeological resources, or the stabilization or restoration of structures listed on or eligible for the Virginia Landmarks Register.

**9. Specific Agency or Political Subdivisions Affected:** Department of Mines, Minerals and Energy; Department of Environmental Quality; Department of Historic Resources; localities.

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

**11. Other Comments:** None.