

Department of Planning and Budget

2021 Fiscal Impact Statement

1. Bill Number: HB1925

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

2. Patron: Kilgore

3. Committee: Appropriations

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

5. Summary: Establishes the Virginia Brownfield and Coal Mine Renewable Energy Grant Fund and Program (the Fund and Program). The bill provides that no allocation of funds shall be made to the Fund or Program unless federal funds are available to cover the cost of such allocation. 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, both defined in the bill. 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 the Department shall, in consultation with the Department of Environmental Quality (DEQ) and stakeholders, develop a handbook for renewable energy and energy storage development on brownfields and previously coal mined lands. Finally, the bill requires the Department to submit an annual report regarding administration of the Fund and Program to the General Assembly. However, the annual report shall not be required if the Fund and Program are not funded.

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, subject to the appropriation of federal funds sufficient to cover the program's costs. At such time as federal funds are made available, an appropriation will be necessary in order for the agency to expend those funds.

Also, this bill requires DMME, in consultation with 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. Annually, DMME is required to submit an annual report to the General Assembly regarding the program's administration for the previous fiscal year.

The bill allows for the use of up to 10 percent of the moneys in the Fund for program administration each year. It is anticipated that any costs that DMME or DEQ will incur in administering this program will be minimal. In addition to the program established by this bill, several programs support the restoration of Brownfields. DEQ administers a brownfields program established in § 10.1-1231, Code of Virginia. Additionally, there is a Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund, established in § 10.1-1237, Code of Virginia, which serves to promote the restoration and redevelopment of brownfield sites and to address environmental problems or obstacles to reuse so that these sites can be effectively marketed to new economic development prospects. This program is administered by the Virginia Economic Development Partnership, along with the Virginia Resources Authority (VRA) and DEQ. Item 130 of HB1800/SB1100 as Introduced includes \$2.25 million from the general fund in each year for this program

It is anticipated that this bill will not result in a fiscal impact to the Virginia Resources Authority (VRA). Under VRA's statute, the VRA is able to help localities finance, through a loan, brownfield restoration projects.

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; Virginia Economic Development Partnership; Virginia Resources Authority; Department of Historic Resources; localities.

10. Technical Amendment Necessary: No.

11. Other Comments: None.