

Department of Planning and Budget
2021 Special Session I Fiscal Impact Statement

1. Bill Number: SB1284

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

2. Patron: Favola

3. Committee: Passed Both Houses

4. Title: Commonwealth Clean Energy Policy.

5. Summary: Establishes the Commonwealth Clean Energy Policy, replacing the Commonwealth Energy Policy. The bill sets out the energy policy and objectives of the Commonwealth Clean Energy Policy, which include: (i) the Commonwealth recognizes that effectively addressing climate change and enhancing resilience will advance the health, welfare, and safety of the residents of the Commonwealth and that addressing climate change requires reducing greenhouse gas emissions across the Commonwealth's economy sufficient to reach net-zero emission by 2045 in all sectors, including the electric power, transportation, industrial, agricultural, building, and infrastructure sectors; (ii) the Commonwealth recognizes the need to promote environmental justice and ensure that it is carried out throughout the Commonwealth and the need to address and prevent energy inequities in historically economically disadvantaged communities; and (iii) the Commonwealth must continue to prioritize economic competitiveness and workforce development in an equitable manner.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final. See Item 8.

8. Fiscal Implications: This bill establishes the Commonwealth Clean Energy Policy to provide guidance to agencies and political subdivisions of the Commonwealth in taking discretionary action with regard to energy issues. It is anticipated that the Department of Mines, Minerals and Energy can absorb the impact of this bill within existing resources. This bill replaces and incorporates §§ 67-101 and 67-102, Code of Virginia, which established energy objectives and the Commonwealth's Energy Policy, respectively. The bill establishes goals for 100 percent carbon-free electricity by 2040 and net-zero emissions from all sectors by 2045 which is consistent with the targets currently established in §§ 67-101 and 67-102, Code of Virginia.

It is anticipated that this bill will not result in a fiscal impact to the State Corporation Commission. Any costs state agencies may incur in incorporating the objectives and goals of the legislation is unknown. Executive Order 43, Expanding Access to Clean Energy and Growing the Clean Energy Jobs of the Future dated September 16, 2019, requires the Director of the Department of Mines, Minerals and Energy, in consultation with the

Secretary of Commerce and Trade, the Secretary of Natural Resources, and the Director of the Department of Environmental Quality, to develop a plan of action to produce 30 percent of Virginia's electricity from renewable energy sources by 2030 and 100 percent of Virginia's electricity from carbon-free sources by 2050. This bill establishes the policy in state government of deploying 30 percent renewables by 2030, realizing 100 percent carbon-free electric power by 2040, and achieving net zero emissions by 2045.

9. Specific Agency or Political Subdivisions Affected: Department of Mines, Minerals and Energy; State Corporation Commission; all state agencies.

10. Technical Amendment Necessary: No.

11. Other Comments: .None.