

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: HB206

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

2. Patron: Webert

3. Committee: Agriculture, Conservation and Natural Resources

4. Title: Small renewable energy projects; impact on natural resources.

5. Summary: Requires, as a condition for a permit by rule for a small energy project, that the applicant conduct an analysis of the beneficial and adverse impacts of the proposed project on natural resources. The bill requires that if the Department of Environmental Quality (DEQ) determines that there will be a significant adverse impact on wildlife, historic resources, prime agricultural soils, or forest lands, the applicant must also submit a mitigation plan with a 45-day public comment period, if such a plan was not submitted as part of the initial application. The bill specifies that a disturbance of more than 10 acres of prime agricultural soils, as defined in the bill, or 50 acres of contiguous forest lands if it would disturb forest lands enrolled in a program for forestry preservation, as defined in relevant law, is deemed to be a significant adverse impact on natural resources.

In addition, the bill requires that DEQ convene an advisory panel to assist in further developing regulations regarding criteria to determine if a significant adverse impact to prime agricultural soils or forest lands is likely to occur as a result of a proposed small renewable energy project and guidelines for plans to mitigate such adverse impacts. The advisory panel is required to submit a report to the Governor and the Chairmen of the House Committees on Agriculture, Chesapeake and Natural Resources and Commerce and Energy and the Senate Committees on Agriculture, Conservation and Natural Resources and Commerce and Labor no later than November 1, 2022.

The bill also requires that DEQ include appropriate mitigation recommendations in any required environmental report for an electrical generating project before the State Corporation Commission.

Finally, the bill requires that any application for a small renewable energy project received by DEQ prior to the required promulgation of regulations by December 31, 2024, whichever is earlier, not be subject to the requirements in the bill.

6. Budget Amendment Necessary: No.

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

- 8. Fiscal Implications:** Fiscal impact estimates are unavailable. The Department of Environmental Quality and the State Corporation Commission have not provided information regarding any potential fiscal impact that either agency may incur as a result from this bill.
- 9. Specific Agency or Political Subdivisions Affected:** Department of Environmental Quality; State Corporation Commission
- 10. Technical Amendment Necessary:** No.
- 11. Other Comments:** None.