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SENATE BILL NO. 1116

Senate Amendments in [] - February 2, 2023

Prefiled January 10, 2023

A BILL to amend and reenact §§ 45.2-1717 and 45.2-1720 of the Code of Virginia, relating to the Southwest Virginia Energy and Research Development Authority; powers and duties; Department of Energy and Department of Environmental Quality; report.

Patrons Prior to Engrossment—Senators Hackworth, Chase, Cosgrove, DeSteph, Hanger, McDougle, Newman, Norment, Obenshain, Peake, Reeves, Ruff and Stanley

Referred to Committee on Agriculture, Conservation and Natural Resources

Be it enacted by the General Assembly of Virginia:

1. That §§ 45.2-1717 and 45.2-1720 of the Code of Virginia are amended and reenacted as follows:

§ 45.2-1717. (Effective until July 1, 2029) Definitions.

As used in this article, unless the context requires a different meaning:

"Authority" means the Southwest Virginia Energy Research and Development Authority established pursuant to this article.

"Coal mine methane" means methane gas captured and produced from an underground gob area associated with a mined-out coal seam.

"Developer" means any private developer of an energy development project.

"Energy development project" means ~~an electric generation facility~~ any activity that generates, produces, or stores energy, any energy efficiency system, and any supporting ancillary activities located within Southwest Virginia and includes interests in land, improvements, and ancillary facilities and research, development, commercialization, and deployment activities designated by the Authority to the nonprofit collaborative.

"Nonprofit collaborative" means a multi-site nonprofit innovative energy technology testbed established as a collaborative effort of the Department of Energy, the Authority, and the Authority's business partners to support the Authority's purpose through energy technology research, development, commercialization, and deployment.

"Southwest Virginia" means the region of the Commonwealth designated as Southwest Virginia in § 22.1-350.

"Southwest Virginia Energy Park" means the nonprofit collaborative.

§ 45.2-1720. (Effective until July 1, 2029) Powers and duties of the Authority.

In addition to the other powers and duties established under this article, the Authority has the power and duty to:

1. Adopt, use, and alter at will an official seal;
2. Make bylaws for the management and regulation of its affairs;
3. Maintain an office at any place within the Commonwealth it designates;
4. Accept, hold, and administer moneys, grants, securities, or other property transferred, given, or bequeathed to the Authority, absolutely or in trust, from any source, public or private, for the purposes for which the Authority is established;

5. Make and execute contracts and all other instruments and agreements necessary or convenient for the exercise of its powers and functions, *including executing contracts and all other instruments and agreements that the Authority deems necessary with the nonprofit collaborative;*

6. Employ, in its discretion, consultants, attorneys, architects, engineers, accountants, financial experts, investment bankers, superintendents, managers, and any other employees and agents necessary and fix their compensation to be payable from funds made available to the Authority;

7. Invest its funds as permitted by applicable law;

8. Receive and accept from any federal or private agency, foundation, corporation, association, or person grants, donations of money, or real or personal property for the benefit of the Authority, and receive and accept from the Commonwealth or any other state, from any municipality, county, or other political subdivision thereof, or from any other source, aid or contributions of either money, property, or other things of value, to be held, used, and applied for the purposes for which such grants and contributions may be made;

9. Enter into agreements with any department, agency, or instrumentality of the United States or of the Commonwealth *and its political subdivisions* and with lenders and enter into loans with contracting parties for the purpose of *conducting research and development, energy project development, and* planning, regulating, and providing for the financing *or leasing* or assisting in the financing *or leasing*

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58 of any project;

59 10. Do any lawful act necessary or appropriate to carry out the powers granted or reasonably implied
60 in this article;

61 11. Leverage the strength in energy workforce and energy technology research and development of
62 the Commonwealth's public and private institutions of higher education;

63 12. Support ~~the~~ energy development ~~of projects generally, including~~ pump storage hydropower ~~in~~
64 Southwest Virginia ~~and~~, energy storage ~~generally, hydrogen production and uses, carbon capture and~~
65 storage, geothermal energy, [and] advanced wind and solar energy [; ~~and advanced reactors and~~
66 ~~advanced nuclear technologies~~] ;

67 13. Promote ~~the~~ energy development ~~of renewable energy generation facilities projects on closed~~
68 power plant sites, brownfield sites, ~~including former coal mine sites, reclaimed coal mine sites,~~
69 abandoned mine sites lands, and lands adjacent thereto;

70 14. Promote energy workforce development and energy supply chain development [; ~~including the~~
71 ~~development of a manufacturing supply chain cluster for small modular reactors, advanced reactors,~~
72 ~~and advanced nuclear technologies~~] ;

73 15. Assist energy technology research and development by, among other actions, promoting the
74 development of a Southwest Virginia Energy Park; ~~and~~

75 16. Identify and work with the Commonwealth's industries and nonprofit partners ~~and, through~~
76 mutually agreed collaborations, the Commonwealth's research and development partners, in advancing
77 efforts related to energy development in Southwest Virginia; ~~and~~

78 17. ~~Promote the capture and beneficial use of coal mine methane from active, inactive, and~~
79 ~~abandoned coal mines as a low-carbon intensity feedstock for manufacturing and energy generation~~
80 ~~projects located in Southwest Virginia.~~

81 **2. That the Department of Energy (the Department), in consultation with the Department of**
82 **Environmental Quality and the Southwest Virginia Energy Research and Development Authority,**
83 **shall evaluate actions needed to further develop and encourage private sector initiatives to capture,**
84 **process, compress, and transport coal mine methane to better meet the Commonwealth's energy**
85 **supply and manufacturing needs and improve air quality. The Department's evaluation shall**
86 **include the current impediments to coal mine methane qualifying for carbon offset markets and**
87 **the environmental benefits of the capture and use of coal mine methane. The Department may**
88 **retain a consultant to assist in its evaluation. For the purposes of this enactment, "coal mine**
89 **methane" means methane gas captured and produced from an underground gob area associated**
90 **with a worked-out coal seam.**

91 The Department and the Department of Environmental Quality shall collaborate with the U.S.
92 Environmental Protection Agency (EPA) on ways to coordinate the Commonwealth's efforts to
93 further encourage the capture, processing, compression, and transport of coal mine methane with
94 federal efforts, especially via the EPA's Coalbed Methane Outreach Program.

95 The Department shall report its findings and any recommendations to the Governor and the
96 Chairmen of the House Committees on Agriculture, Chesapeake and Natural Resources and
97 Commerce and Energy and the Senate Committees on Agriculture, Conservation and Natural
98 Resources and Commerce and Labor by November 1, 2023.