

State Corporation Commission 2023 Fiscal Impact Statement

1. Bill Number: HB2026

House of Origin ☐ Introduced ☐ Substitute ☒ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: O'Quinn

3. Committee: Commerce and Energy

4. Title: Renewable energy; biomass-fired facilities, Department of Forestry advisory panel, report.

5. Summary: Removes the renewable energy requirement for each Phase I and Phase II Utility to retire all biomass-fired electric generating units that do not co-fire with coal by December 31, 2028. The bill provides that biomass-fired facilities may qualify as renewable energy standard eligible sources provided that they have less than 52 megawatts capacity, began commercial operation before January 1, 2023, and are fueled by biomass, biomass residuals, or crops and trees planted for the purpose of use in energy production.

The bill directs the Department of Forestry to convene an advisory panel to develop criteria for biomass-fired facilities beginning operation in the Commonwealth after January 1, 2023, by examining factors related to biomass use in energy generation, including policies in the southeastern United States, and benefits to the Commonwealth's hardwood forest health as a result of expanded use of biomass for electricity generation. The bill requires the Department to submit a report of the advisory panel's findings and any recommendations to the General Assembly no later than December 1, 2023.

6. Budget Amendment Necessary: No

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

8. Fiscal Implications: There is no fiscal impact on the State Corporation Commission.

The Department of Forestry reports that there is no fiscal impact for managing the work of the advisory panel and resulting report.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission;
Department of Forestry

10. Technical Amendment Necessary: No.

11. Other Comments: None