

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 Labor

4. Title: Renewable energy; biomass-fired facilities, Department of Forestry advisory panel and report, best management practices for sustainable harvesting of biomass.

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 forest-product manufacturing residuals, biowastes, or biomass.

The bill directs the Department of Forestry to convene an advisory panel to examine the use of forest-related materials, agricultural-related materials, and solid woody waste materials for biomass-fired electric generating units in the Commonwealth. 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, 2024.

The Department of Forestry shall develop best management practices for the sustainable harvesting of biomass for biomass-fired electric generating units by December 1, 2023. The best management practices shall include a life-cycle carbon analysis that includes all carbon emissions, including supply chain emissions, forgone sequestration, and the emissions from burning biomass resources for electricity generation developed in coordination with the Department of Environmental Quality and other stakeholders.

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 by December 1, 2024.

The Department of Forestry and the Department of Environmental Quality will use existing resources to study and issue best management practices for sustainable harvesting of biomass for the intended purpose of the bill by December 1, 2023.

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

10. Technical Amendment Necessary: No.

11. Other Comments: The companion bill is Senate Bill 1231.