

24104626D

SENATE BILL NO. 562

Offered January 10, 2024

Prefiled January 10, 2024

A BILL to amend the Code of Virginia by adding a section numbered 56-585.1:14, relating to pilot program for captured coal mine methane; renewable energy portfolio standard.

Patron—Hackworth

Referred to Committee on Agriculture, Conservation and Natural Resources

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 56-585.1:14 as follows:

§ 56-585.1:14. Pilot program for captured coal mine methane.

A. As used in this section:

"Coal mine methane" means methane gas captured and produced from an underground gob area associated with a mined-out coal seam that would otherwise escape into the atmosphere.

"Phase I Utility" and "Phase II Utility" have the same meanings as provided in subdivision A 1 of § 56-585.1.

B. The Commission shall establish a pilot program under which each Phase I Utility and Phase II Utility may submit a proposal to deploy electricity generation from captured coal mine methane. Each proposal shall provide for the deployment of a non-combustion electric generator or multiple generators fueled by captured coal mine methane that demonstrates (i) significant reductions in life cycle greenhouse gas emissions; (ii) significant reductions in combustion-related air pollution; (iii) avoided water use; (iv) improved efficiency or reliability of electrical transmission or distribution systems; and (v) avoided or deferred investments in generation, transmission, or distribution of electricity. A Phase I Utility or Phase II Utility that does not have a viable source of captured coal mine methane in its service territory may propose the indirect use of captured coal mine methane in its proposal. Each proposed project shall have a duration of no more than 15 years.

C. A Phase I Utility may install one or more captured coal mine methane projects of no less than five megawatts and no more than 10 megawatts of capacity. A Phase II Utility may install one or more captured coal mine methane projects of no less than five megawatts and no more than 30 megawatts of capacity.

D. A captured coal mine methane product approved pursuant to this section shall provide for the recovery of all reasonable and prudent costs incurred under the pilot program through the Phase I Utility's or Phase II Utility's base rates on a nondiscriminatory basis. Any proposal by a Phase I Utility or Phase II Utility that satisfies the requirements of this section may be considered by the Commission as evidence that the proposed project is in the public interest.

E. The Commission shall, by December 31, 2024, adopt such rules or establish such guidelines as may be necessary for the general administration of pilot program projects approved pursuant to this section.

2. That notwithstanding any other provision of law, electricity generated by a Phase I Utility or Phase II Utility, as those terms are defined in subdivision A 1 of § 56-585.1 of the Code of Virginia, using captured coal mine methane with a non-combustion electric generator under a captured coal mine methane project approved by the State Corporation Commission pursuant to § 56-585.1:14 of the Code of Virginia, as created by this act, shall be considered as an eligible resource for purposes of the renewable energy portfolio standard program established in § 56-585.5 of the Code of Virginia, and each megawatt of electricity generated by such resource may be used to comply with the renewable energy portfolio standard program requirements under § 56-585.5 of the Code of Virginia.

INTRODUCED

SB562