

Department of Planning and Budget
2025 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: SB1190S2

Patron: Deeds

Bill Title: Virginia Energy Facility Review Board established; localities; comprehensive plan and local ordinances related to siting of critical interconnection projects; planning district commissions; regional energy plans; Virginia Clean Energy Technical Assistance Center established.

Bill Summary: Establishes the Virginia Energy Facility Review Board as a political subdivision of the Commonwealth for the purposes of conducting critical interconnection reviews, conduct analysis and study policy options, review regional energy plans, local comprehensive plans, and local solar and storage ordinances and to facilitate the responsible siting of critical interconnection projects in the Commonwealth.

The bill also establishes the Virginia Clean Energy Technical Assistance Center, consisting of public institutions of higher education, to serve as an interdisciplinary study, research, and information resource and to provide technical assistance to state agencies, planning district commissions, localities, the Review Board, other public bodies, and private entities in matters related to critical interconnection projects. The bill requires the Center to collaborate with the Review Board to issue the regional energy report and to establish the model local ordinance.

The bill requires the Review Board to issue a regional energy report that models each planning district's meaningful annual contribution to clean energy generation, energy efficiency measures, and energy storage. Each planning district commission is required to adopt a regional energy plan to address energy generation, storage, and use that demonstrates a meaningful contribution to Commonwealth's energy goals as determined by the regional energy report issued by the Review Board and to submit the plan to the Review Board. The Review Board is required to determine if a regional energy plan is in compliance with certain provisions within 60 days of receipt of such plan.

The bill requires the Review Board to establish a model local ordinance for siting, permitting, and zoning of critical interconnection projects and all other ground-mounted front-of-meter solar energy and energy storage projects. The bill requires each locality to adopt an ordinance for the permitting of solar energy facilities and energy storage facilities, that is consistent with the Commonwealth Clean Energy Policy and the model ordinance and submit it to the Review Board. Under the bill, the Review Board is required to determine if the local ordinance is compliant with certain requirements. The bill provides a procedure for a planning district commission or a locality to appeal a Review Board determination regarding a regional energy plan or a local ordinance.

Under the bill, any developer planning to construct a critical interconnection project is required to submit an application to the Review Board. The Review Board is required to determine if the critical interconnection project (i) qualifies as a project of statewide significance, defined in the bill, and (ii) complies with the ordinance in each locality in which the proposed critical interconnection project would be located. In making its determination, the Review Board is required to consider the Commonwealth Clean Energy Policy, certain

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regulations adopted by the State Air Pollution Control Board, certain renewable portfolio requirements, and any other information it deems relevant. The bill provides that the Review Board has the discretion to disregard any unreasonable restriction, defined in the bill, in the local ordinance on the installation of the critical interconnection projects or the building of structures that facilitate the installation of critical interconnection projects. In addition, the Review Board may consider any regional energy plan developed by the relevant planning district commission. The Review Board is required to issue its opinion on the critical interconnection project within 90 days of receiving an application.

The bill requires a locality to issue its final decision regarding any zoning change, variance, or the issuance of a special exemption, special use permit, or conditional use permit related to a critical interconnection project no later than 180 days after receiving a critical interconnection opinion issued by the Review Board. If the locality's final decision diverges from the Review Board's opinion, the locality is required to include a written determination setting forth all facts and conclusions reached by the locality that support its final decision. The bill requires that any appeal of a locality's decision related to a critical interconnection project will be filed in the circuit court of such locality.

The bill requires the Supreme Court of Virginia to promulgate rules governing appeals related to the provisions of the bill. This bill is a recommendation of the Commission on Electric Utility Regulation.

As substituted, the bill incorporates SB1114 and SB1434, both related to solar photovoltaic projects.

Budget Amendment Necessary: See Fiscal Analysis **Items Impacted:** Indeterminate.
section.

Explanation: This bill establishes a new political subdivision (the Virginia Energy Facility Review Board) and a new center (the Virginia Clean Energy Technical Assistance Center). The bill involves Christopher Newport University, George Mason University, James Madison University, Longwood University, the University of Mary Washington, Norfolk State University, Old Dominion University, Radford University, the University of Virginia, Virginia Commonwealth University, Virginia Military Institute, Virginia Polytechnic Institute and State University, Virginia State University, and The College of William and Mary; the Departments of Environmental Quality, Energy, and Conservation and Recreation; the Office of the Attorney General and the court system. Budget amendments will be needed to appropriate funding to support the newly established political subdivision and center; however, the fiscal implications are indeterminate.

Fiscal Summary: To implement the provisions of this bill, it is anticipated that state resources will be required. The size and scope of the Board and the Center is unknown; no funding source is identified in the bill.

Fiscal Analysis: This fiscal impact statement is preliminary and will be updated as additional information becomes available. At this time, fiscal estimates are indeterminate.

This bill establishes the Virginia Energy Facility Review Board (the Board) as a political subdivision charged with conducting critical interconnection reviews, conducting analysis and study policy options, reviewing regional

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energy plans, local comprehensive plans, and local solar and storage ordinances, and facilitating the responsible siting of critical interconnection projects in the Commonwealth. The Board shall consist of nine members including the Director of the Department of Energy, the Department of Environmental Quality, the Director of the Department of Conservation and Recreation, the Attorney General, the Chief Executive Officer of the Virginia Economic Development Partnership, the Executive Director of the Virginia Clean Energy Technical Assistance Center or their designees, and two nonlegislative citizen members, who shall receive no compensation for their service but may be reimbursed from funds appropriated to the Review Board for reasonable expenses incurred in the performance of their duties. The bill authorizes the Board to appoint an Executive Director and to hire employees and other such agents as may be necessary to effectuate the provisions of the bill. However, as written, the size and scope of the Board and its staffing needs are unknown.

The bill creates the Virginia Clean Energy Technical Assistance Center (the Center) to be located at the University of Virginia. The Center includes Christopher Newport University, George Mason University, James Madison University, Longwood University, the University of Mary Washington, Norfolk State University, Old Dominion University, Radford University, the University of Virginia, Virginia Commonwealth University, Virginia Military Institute, Virginia Polytechnic Institute and State University, Virginia State University, and The College of William and Mary. The Center is to be governed by a 15-member board, with the board appointing an executive director of the Center. The bill authorizes said executive director to employ such personnel and secure such services as may be required to carry out the purposes of the Center, expend appropriated funds, and accept moneys from federal or private sources for carrying out the purposes of the Center. As written, the size and scope of the Center and its staffing needs are unknown.

Any impact to the University of Virginia (UVA) to establish the Virginia Clean Energy Technical Assistance Center is indeterminate. UVA's Weldon Cooper Center anticipates that there will be lower costs in the initial years of the Center that could be absorbed, but there could be increased cost in later years, which may be require additional state support. The amount of funding needed would depend on the actual personnel employed and services provided by the Center. If additional state funding is not provided, the Center may not be able to provide all the services described in the bill.

Fiscal implications to various state agencies, including the Department of Energy, the Department of Environmental Quality, the public institutions of higher education referenced, and the court system are unknown.

Estimates from the Department of Energy related to the provisions incorporated into this bill from SB1114 and SB1434 are unavailable at this time.

Other: HB2126 is similar to this bill.