Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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Bill Number: SB645S1 **Patron:** Surovell
Bill Title: Air Pollution Control Board regulations; exemptions for waste-to-energy facilities; small renewable energy projects; anaerobic digestion technology.

Bill Summary: Expands the definition of "small renewable energy project" to include certain biomass and waste-to-energy electrical generation facilities that utilize anaerobic digestion technology and meet capacity and processing criteria. The bill also directs the Department of Environmental Quality (DEQ), in coordination with the Departments of Energy (Energy) and Health (VDH), the Air Pollution Control Board, certain local government entities, and waste-to-energy facility operators, to assess emission reduction and biomethane technologies and report findings and legislative recommendations to the Air Pollution Control Board by December 1, 2026.

Budget Amendment Necessary: **Yes** **Items Impacted:** **365, SB30/HB30**

Explanation: This bill involves DEQ, Energy, VDH, and applicable localities. A general fund amendment is required to carry out the provisions of the bill.

Fiscal Summary: It is anticipated that DEQ will require additional general fund appropriation of $200,000 in the first year under Item 365, SB30/HB30.

General Fund Expenditure Impact:

Agency	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
DEQ (440)		$200,000				
TOTAL		**$200,000**				

Fiscal Analysis: This fiscal impact is preliminary. The bill results in a one-time cost of $200,000 to DEQ in FY 2027 for the procurement of an outside consultant to complete the required assessments. It is anticipated that Energy and VDH can absorb any impact resulting from the bill.

The bill directs DEQ, in coordination with specified entities, to assess practicable technologies available to waste-to-energy facilities to reduce carbon dioxide and methane emissions, to assess technologies to create biomethane, and to recommend legislative changes necessary to create market conditions to ensure the viability of such a program, with a report due by December 1, 2026. DEQ indicates that this work is outside programmatic expertise. DEQ will require the services of an external consultant to perform the technical and market analysis necessary to complete the study and produce the required report. This work is anticipated to cost $200,000.

Other: None.