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SENATE BILL NO. 333
AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Labor and Commerce
on _____)
(Patron Prior to Substitute—Senator Hackworth)

A BILL to amend the Code of Virginia by adding in Title 45.2 a chapter numbered 16.1, consisting of sections numbered 45.2-1650 and 45.2-1651, relating to Remediated Mine Gas Grant Program; report.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 45.2 a chapter numbered 16.1, consisting of sections numbered 45.2-1650 and 45.2-1651, as follows:

CHAPTER 16.1.

REMEDIATED MINE GAS GRANT PROGRAM.

§ 45.2-1650. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Eligible expenditures" means costs incurred by a grantee during the taxable year related to (i) the purchase of machinery and equipment necessary for the capture of remediated mine gas for beneficial use, and not for flaring or destruction, at an underground metallurgical coal mine in the Commonwealth and (ii) the hiring of employees whose primary duties involve the capture or sequestration of remediated mine gas.

"Remediated mine gas" means methane gas captured and produced from an underground gob area associated with a metallurgical coal seam located in the Commonwealth that would otherwise escape into the atmosphere.

"Sequester" or "sequestration" means the beneficial use of methane derived from remediated mine gas or the permanent binding, absorption, or other storage of methane derived from remediated mine gas, including use as a feedstock in a low-emission manufacturing process or chemical process that converts the methane into a durable material or product, provided that such methane is not emitted into the atmosphere.

§ 45.2-1651. Remediated Mine Gas Grant Program; report.

A. The Department shall establish the Remediated Mine Gas Grant Program (the Program) to assist projects in the Commonwealth to capture and utilize methane from active and abandoned mines, thereby reducing additional methane emissions and supporting economic revitalization in coalfields regions, particularly Southwest Virginia.

B. Subject to appropriation by the General Assembly, the Department shall award remediated mine gas grants on a first-come, first-served basis to grantees that (i) incur eligible expenditures during the taxable

33 year or (ii) successfully capture and utilize additional volumes of or sequester remediated mine gas in the
34 Commonwealth. No grantee shall receive more than one grant per fiscal year. In order to apply for a grant, a
35 grantee shall submit an application to the Department, which shall include (a) the amount, in metric tons, of
36 remediated mine gas captured and utilized or sequestered in the Commonwealth by the grantee during the
37 taxable year and (b) any eligible expenditures incurred by the grantee during the taxable year.

38 C. No later than October 1 of any year in which funds are made available for the Program, each grant
39 recipient shall submit a report to the Department. Such report shall include information concerning (i) the
40 amount, in metric tons, of remediated mine gas captured and utilized or sequestered in the Commonwealth by
41 the grantee during the taxable year; or, if not utilized or sequestered, the net additional volume of methane
42 captured relative to the baseline established in the grant agreement; (ii) the amount of money spent on the
43 purchase and maintenance of machinery and equipment necessary for the capture of remediated mine gas;
44 and (iii) the amount of money spent on the hiring of employees or vendors whose primary duties or
45 contracted scope involves the capture, utilization, or sequestration of remediated mine gas. For the first year
46 of an award, a grantee may elect to report quantified greenhouse gas emissions reductions attributable to the
47 project in the subsequent year's October 1 report, provided that an initial report is submitted by October 1 of
48 the award year describing the project status, commissioning milestones, and preliminary capture volumes.

49 D. No later than January 1 of any year after which funds are made available for the Program, the
50 Department shall submit a summarized report of the information received pursuant to subsection C to the
51 Chairs of the Senate Committees on Finance and Appropriations and Agriculture, Conservation and Natural
52 Resources and the House Committees on Appropriations and Agriculture, Chesapeake and Natural
53 Resources.