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

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Bill Number: SB645H2 **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 in a locality in Planning District 8 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 (the Board), and certain local governments operating waste-to-energy incinerators in Planning District 8, to evaluate technologies that could reduce emissions at waste-to-energy facilities and technologies that could produce biomethane. The bill requires DEQ to identify legislative avenues to support the viability of such technologies and to report its findings to the 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 evaluate technologies to reduce emissions and produce biomethane at waste-to-energy facilities and report recommendations. DEQ will require the services of an external consultant to perform the technical and market analysis necessary to complete the assessment and produce the required report. This work is anticipated to cost $200,000.

Amendments to SB30 adopted by the Senate include $200,000 from the general fund in the first year to conduct the waste-to-energy assessment required in this bill.

Other: None.