

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

Fiscal Analysis: This bill would establish the Virginia Clean Energy Innovation Bank as a public body corporate and political subdivision of the Commonwealth. The Bank would have a Board of Directors and specific powers and duties as outlined in the bill. The Virginia Clean Energy Innovation Bank currently exists within the Department of Energy and is supported by two staff.

Current funding supporting the Bank is nongeneral fund revenue generated from the sale of Renewable Energy Certificates (RECS) in July 2025. Energy received \$27.6 million in revenue from the sale of RECS and deposited the cash into a newly established nongeneral fund for the Bank. As of January 16, 2026, Energy obligated \$22.7 million of this funding. The Introduced Caboose Bill, HB29/SB29, directs the State Comptroller to transfer \$2.2 million from the Virginia Clean Energy Innovation Bank Fund to the general fund by June 30, 2026. After this transfer and current obligations, the estimated unobligated cash balance in the Fund is approximately \$2.7 million. Energy recently sold additional RECS and is anticipated to receive the proceeds on or before March 31, 2026. This sale will provide Energy with approximately \$4.7 million to support its operations and projects.

This bill allows funding for expenses of the Board, compensation for employees and agents, start-up costs, grants and investments, and the development of a strategic plan and investment strategy “from funds made available to the Bank.” The bill also authorizes the Bank to hire a President and appropriate staff and to execute the provisions of the bill and responsibilities of the Bank. Such employees are to be eligible for benefits afforded to state employees.

According to Energy, the agency currently anticipates annual administrative expenses for the Bank of \$400,000 in its current form. It is anticipated that the Bank would continue to be supported by the two staff currently supporting the Bank, and would onboard three additional employees, including the President and two investment staff. The Bank would also incur additional overhead expenses, including a once-time expenditure of \$100,000 for the establishment of a website.

The bill authorizes the bank to collect reasonable fees for services. Revenue estimates are indeterminate and dependent on demand for services.

It is anticipated that any fiscal impact resulting from service on the Bank’s Board by designees from Energy, the Virginia Economic Development Partnership, and Treasury will be absorbed within existing appropriations.

Other: HB 1444 would continue the Bank within the Department of Energy.