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SENATE BILL NO. 645

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Joint Conference Committee on March 13, 2026)

(Patron Prior to Substitute—Senator Surovell)

A BILL to amend and reenact § 10.1-1197.5, as it is currently effective and as it shall become effective, of the Code of Virginia, relating to Air Pollution Control Board regulations; small renewable energy projects; anaerobic digestion technology; report.

Be it enacted by the General Assembly of Virginia:

1. That § 10.1-1197.5, as it is currently effective and as it shall become effective, of the Code of Virginia is amended and reenacted as follows:

§ 10.1-1197.5. (Effective until July 1, 2026) Definitions.

As used in this article:

"Anaerobic digestion technology" means technology enabling anaerobic digestion as defined in § 3.2-3600.

"Energy storage facility" means energy storage equipment or technology that is capable of absorbing energy, storing such energy for a period of time, and redelivering energy after it has been stored.

"Small renewable energy project" means (i) an electrical generation facility with a rated capacity not exceeding 150 megawatts that generates electricity only from sunlight or wind; (ii) an electrical generation facility with a rated capacity not exceeding 100 megawatts that generates electricity only from falling water, wave motion, tides, or geothermal power; (iii) an electrical generation facility with a rated capacity not exceeding 20 megawatts that generates electricity only from biomass, energy from waste, or municipal solid waste; (iv) an energy storage facility that uses electrochemical cells to convert chemical energy with a rated capacity not exceeding 150 megawatts; ~~or~~ (v) a hybrid project composed of an electrical generation facility that meets the parameters established in clause (i), (ii), or (iii) and an energy storage facility that meets the parameters established in clause (iv)*; or (vi) an electrical generation facility in a locality in Planning District 8 with a rated capacity not exceeding 100 megawatts that generates electricity from biomass, energy from waste, or municipal solid waste and its dedicated associated interconnection facilities, provided that any such facility is capable of processing the majority of its organic waste, including food waste and municipal sludge, with anaerobic digestion technology by January 1, 2030.*

§ 10.1-1197.5. (Effective July 1, 2026) Definitions.

As used in this article:

"Anaerobic digestion technology" means technology enabling anaerobic digestion as defined in § 3.2-3600.

"Energy storage facility" means energy storage equipment or technology that is capable of absorbing energy, storing such energy for a period of time, and redelivering energy after it has been stored.

"Interconnection facilities" means generation tie lines, collector lines, substations, switching stations, and any other component required to connect an electrical generation facility with the electrical grid.

"Small renewable energy project" means (i) an electrical generation facility with a rated capacity not exceeding 150 megawatts that generates electricity only from sunlight or wind and its dedicated associated interconnection facilities; (ii) an electrical generation facility with a rated capacity not exceeding 100 megawatts that generates electricity only from falling water, wave motion, tides, or geothermal power and its dedicated associated interconnection facilities; (iii) an electrical generation facility with a rated capacity not exceeding 20 megawatts that generates electricity only from biomass, energy from waste, or municipal solid waste and its dedicated associated interconnection facilities; (iv) an energy storage facility that uses electrochemical cells to convert chemical energy with a rated capacity not exceeding 150 megawatts and its dedicated associated interconnection facilities; ~~or~~ (v) a hybrid project composed of an electrical generation facility that meets the parameters established in clause (i), (ii), or (iii) and an energy storage facility that meets the parameters established in clause (iv)*; or (vi) an electrical generation facility in a locality in Planning District 8 with a rated capacity not exceeding 100 megawatts that generates electricity from biomass, energy from waste, or municipal solid waste and its dedicated associated interconnection facilities, provided that any such facility is capable of processing the majority of its organic waste, including food waste and municipal sludge, with anaerobic digestion technology by January 1, 2030.*

2. That the Department of Environmental Quality (the Department), in coordination with the Department of Energy, the Department of Health, the State Air Pollution Control Board, any county using a county manager plan of government, and any county using an urban county executive form of government operating an incinerator in Planning District 8, shall, in coordination with any operator of a waste-to-energy facility in the Commonwealth, (i) assess all practicable technologies available to waste-to-energy facilities to reduce carbon dioxide and methane emissions, (ii) assess technologies to

create biomethane, and (iii) recommend any legislative changes necessary to create market conditions to ensure the viability of such program. The Department shall report its findings to the State Air Pollution Control Board by December 1, 2026.