

Department of Planning and Budget 2015 Fiscal Impact Statement

1. **Bill Number:** SB1365

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. **Patron:** Watkins

3. **Committee:** Agriculture, Conservation and Natural Resources

4. **Title:** Clean Power Plan; state implementation plan; General Assembly approval.

5. **Summary:** Requires the Department of Environmental Quality (DEQ) to receive approval from the General Assembly for a state implementation plan to regulate carbon dioxide emissions from existing power plants prior to submitting the plan to the U.S. Environmental Protection Agency for approval. The bill also requires DEQ to prepare a report that assesses the effects of the state plan on the electric power sector, electricity customers, state and local governments, employment and economic development. The bill contains an emergency clause.

6. **Budget Amendment Necessary:** Yes, Item 362 (HB1400/SB800).

7. **Fiscal Impact Estimates:** Preliminary.

7a. **Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2015	0	N/A	N/A
2016	250,000	N/A	GF
2017	0	N/A	N/A
2018	0	N/A	N/A
2018	0	N/A	N/A
2020	0	N/A	N/A
2021	0	N/A	N/A

8. **Fiscal Implications:** Section 111, 42 U.S.C. §7411, of the Clean Air Act requires EPA to develop regulations for categories of sources which cause or significantly contribute to air pollution which may endanger public health or welfare. Section 111(d) of the Act requires states to develop plans for existing sources of noncriteria pollutants (i.e., a pollutant for which there is no national ambient air quality standard) whenever EPA promulgates a standard for a new source. These are called Section 111(d) plans and are subject to EPA review and approval.

This bill requires that DEQ prepare a report on the electric power sector; electricity customers within the Commonwealth, including any disproportionate effects of electricity and other

energy price increases on middle-income and lower-income households; employment within the Commonwealth, including direct and indirect employment effects and jobs lost within affected sectors of the Commonwealth's economy; economic development within the Commonwealth, including effects on manufacturing, commercial, and other sectors of the Commonwealth's economy; the competitive position of the Commonwealth relative to neighboring states and other economic competitors; state and local governments, including potential impacts resulting from changes in tax revenues; and, state law, including any new laws necessary to implement the state plan.

Many of the data and information requirements for this report are outside of DEQ's current knowledge base and would require outside consultants. DEQ notes that the services of the consultants could cost \$250,000. The costs would be one-time.

9. Specific Agency or Political Subdivisions Affected: The Department of Environmental Quality, and localities.

10. Technical Amendment Necessary: No.

11. Other Comments: This is a companion to HB2291.

Date: 02/02/2015 /jlm

cc: Secretary of Natural Resources