

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: HB547

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

2. Patron: Delaney

3. Committee: Labor and Commerce

4. Title: Virginia Energy and Economy Transition Council established.

5. Summary: Establishes the Virginia Energy and Economy Transition Council for the purposes of developing plans and procedures to ensure that the Commonwealth is able to transition from the use of fossil fuel energy to renewable energy by 2050. The Council shall be composed of 30 members, including ten nonlegislative citizen members, of whom two shall be from the labor community and eight from the environmental community, to be appointed by the Governor; and seven nonlegislative citizen members to be appointed by the Governor upon consideration of the recommendations, if any, of the Virginia Renewable Energy Alliance, Virginia Chamber of Commerce, Dominion Energy, Appalachian Power Company, Old Dominion Power Company or Kentucky Utilities Company, the Rural Jobs Council, the Virginia Small Business Development Council, and the Virginia Maryland and Delaware Association of Electric Cooperatives. The Secretaries of Agriculture and Forestry, Commerce and Trade, and Natural Resources, the chairmen of the nine GO Virginia regions, and the Chief Workforce Advisor to the Governor or their designees shall serve ex officio with voting privileges. The Council shall (i) analyze the challenges and incentives needed to transition Virginia's economy, workforce, and business community to a fossil fuel-free economy; (ii) create a transition plan for each region of the Commonwealth whose economy and workers are dependent on the fossil fuel industry; and, (iii) submit an annual report to the Governor and the General Assembly. The bill provides that the Council sunsets on July 1, 2023.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See Item 8.

8. Fiscal Implications: This fiscal impact of this bill is indeterminate. This bill would increase the administrative responsibilities of the Department of Mines, Minerals and Energy (DMME) and all state agencies.

The bill requires the Secretaries of Agriculture and Forestry, Commerce and Trade, and Natural Resources, or their designees to serve on the Council. It is anticipated that the Secretaries of Agriculture and Forestry, Commerce and Trade, and Natural Resources can absorb any fiscal impacts associated with this provision of the bill.

The Department of Mines, Minerals and Energy (DMME) is required to provide staff support to the Council, pay compensation to Council members, and reimburse members for their expenses incurred in serving on the Council. DMME anticipates that an additional classified position may be required to assist the Council with (i) analyzing the challenges and incentives needed to transition Virginia's economy, workforce, and business community to a fossil fuel-free economy; (ii) creating a transition plan for each region of the Commonwealth whose economy and workers are dependent on the fossil fuel industry; and, (iii) submitting an annual report to the Governor and the General Assembly. Additionally, DMME anticipates that funding for Council compensation and expenses would need to be provided; an estimate is not available. The fiscal impact to DMME is indeterminate.

All state agencies are required to provide assistance to the Council, upon request. The fiscal impact on state agencies is indeterminate.

9. Specific Agency or Political Subdivisions Affected: Department of Mines, Minerals and Energy; Secretaries of Agriculture and Forestry, Commerce and Trade, and Natural Resources; Chief Workforce Advisor to the Governor; all state agencies; localities.

10. Technical Amendment Necessary: No.

11. Other Comments: None.