

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: SB729

House of Origin	<input type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input checked="" type="checkbox"/>	Enrolled

2. Patron: Surovell

3. Committee: Passed both Houses.

4. Title: Virginia Clean Energy Innovation Bank; established; report.

5. Summary: Creates the Virginia Clean Energy Innovation Bank to accelerate the deployment of clean energy projects, greenhouse gas emissions reduction projects, and other qualified projects through the strategic deployment of public funds in the form of grants, loans, credit enhancements, and other financing mechanisms. The Bank is governed by a twelve-member Board, that shall consist of nine nonlegislative citizen members and three ex officio members. The Director of the Department of Energy, the Chief Executive Officer of the Virginia Economic Development Partnership Authority, and the State Treasurer or their designees shall serve ex officio. The bill contains provisions for (i) the appointment of a president and the hiring of staff, (ii) the powers and duties of the Bank, (iii) lending practices, (iv) a strategic plan, (v) an investment strategy, (vi) public outreach requirements, (vii) audits, (viii) exemptions from taxes and from personnel and procurement procedures, and (ix) reporting requirements.

6. Budget Amendment Necessary: Yes, to establish the new Bank. See item 8.

7. Fiscal Impact Estimates: Final. Indeterminate.

8. Fiscal Implications: This bill establishes the Virginia Clean Energy Innovation Bank to accelerate the deployment of clean energy projects, greenhouse gas emissions reduction projects, and other qualified projects through the strategic deployment of public funds in the form of grants, loans, credit enhancements, and other financing mechanisms. The Bank shall be governed by a Board of Directors, with the costs of compensation and expenses of the members to be provided by the Bank. The bill authorizes the Bank to hire employees and other such agents as may be necessary to effectuate the provisions of the bill. The bill provides that the Bank may expend funds appropriated for start-up purposes, which may be used for financing programs and project investments prior to adoption of the strategic plan and the investment strategy authorized and required by the provisions. No funding source is identified. Therefore, as written, the size and scope of the Bank and its staffing needs are unknown.

Conference amendments to HB30/SB30 provide \$10.0 million the first year from the general fund in Central Appropriations to create and fund the Virginia Clean Energy Innovation Bank, as created in this bill, to help finance climate initiatives across Virginia with low-rate

financing issued by the U.S. Department of Energy. Up to \$2.0 million of the appropriation may be used for administration.

9. Specific Agency or Political Subdivisions Affected: Department of Energy, Office of the Attorney General, Virginia Economic Development Partnership, Department of Treasury.

10. Technical Amendment Necessary: No.

11. Other Comments: None.