



Virginia Department of Planning and Budget **Economic Impact Analysis**

9 VAC 15-40 Small Renewable Wind Energy Projects Permit by Rule
Department of Environmental Quality
November 25, 2014

Summary of the Proposed Amendments to Regulation

The Department of Environmental Quality (Department) proposes to: 1) amend the definition of “small wind energy project” to remove the clause “whose main purpose is to supply electricity,” 2) add a statement to clarify that wind projects under five megawatts are considered to be covered by the permit by rule (PBR), 3) add language allowing fees to be paid electronically when the Department is able to accept electronic payments, and 4) update citations and links in the section pertaining to internet accessible resources.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

The Department proposes to remove the clause “whose main purpose is to supply electricity,” from the definition of “small wind energy project” in order to clarify that projects that are not selling electricity to the grid would also be eligible for a permit under the PBR. Though this is not intended to be a change in policy, it may be beneficial in that the clarification may moderately increase the likelihood that environmentally friendly wind energy projects are initiated. Adding a statement to clarify that wind projects fewer than five megawatts are considered to be covered by the PBR will be similarly beneficial.

The proposal to allow fees to be paid electronically when the Department is able to accept electronic payments is beneficial in that it can save staff time for both potential permittees and the Department.

Businesses and Entities Affected

The proposed amendments affect individuals, businesses or other entities wishing to develop a small wind energy project of 100 MW or less. Currently there are no such projects in the Commonwealth.¹

Localities Particularly Affected

The proposed regulation applies statewide and is not designed to have a disproportionate material impact on any particular locality. As a practical matter, however, wind-energy projects will be located where adequate wind conditions exist (generally Class 3 winds or higher for commercial-scale projects).²

Projected Impact on Employment

To the extent that the proposed clarifying language might encourage the pursuit of small wind energy projects in the Commonwealth, there may be a small increase in affiliated jobs.

Effects on the Use and Value of Private Property

The proposed clarifying language could potentially moderately increase the likelihood that a firm would pursue a small wind energy project.

Small Businesses: Costs and Other Effects

None of the proposed amendments increase costs for small businesses. The proposal to allow fees to be paid electronically when the Department is able to accept electronic payments could save a small amount of staff time for small businesses that start a small wind energy project.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed amendments will not create an adverse impact for small businesses.

Real Estate Development Costs

The proposed amendments will not significantly affect real estate development costs.

¹ Source: Department of Environmental Quality

² Ibid

Legal Mandate

General: The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia and Executive Order Number 17 (2014). Section 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to:

- the projected number of businesses or other entities to whom the proposed regulatory action would apply,
- the identity of any localities and types of businesses or other entities particularly affected,
- the projected number of persons and employment positions to be affected,
- the projected costs to affected businesses or entities to implement or comply with the regulation, and
- the impact on the use and value of private property.

Small Businesses: If the proposed regulatory action will have an adverse effect on small businesses, § 2.2-4007.04 requires that such economic impact analyses include:

- an identification and estimate of the number of small businesses subject to the proposed regulation,
- the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents,
- a statement of the probable effect of the proposed regulation on affected small businesses, and
- a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation.

Additionally, pursuant to § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules (JCAR) is notified at the time the proposed regulation is submitted to the *Virginia Register of Regulations* for publication. This analysis shall represent DPB's best estimate for the purposes of public review and comment on the proposed regulation.

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