



Virginia Department of Planning and Budget
Economic Impact Analysis

4 VAC 25-11 Public Participation Guidelines
4 VAC 25-20 Board of Coal Mining Examiners Certification Requirements
4 VAC 25-31 Reclamation Regulations for Mineral Mining
4 VAC 25-35 Certification Requirements for Mineral Miners
4 VAC 25-40 Safety and Health Regulations for Mineral Mining
4 VAC 25-70 Regulations Governing Disruption of Communications in Mines
4 VAC 25-90 Regulations Governing the Use of Diesel-Powered Equipment in Underground Coal Mines
4 VAC 25-101 Regulations Governing Vertical Ventilation Holes and Mining Near Gas and Oil Wells
4 VAC 25-110 Regulations Governing Blasting in Surface Mining Operations
4 VAC 25-125 Regulations Governing Coal Stockpiles and Bulk Storage and Handling Facilities
4 VAC 25-130 Coal Surface Mining Reclamation Regulations
4 VAC 25-145 Regulations on the Eligibility of Certain Mining Operators to Perform Reclamation Projects
4 VAC 25-150 Virginia Gas and Oil Regulation
4 VAC 25-160 Virginia Gas and Oil Board Regulations
4 VAC 25-165 Regulations Governing the Use of Arbitration to Resolve Coalbed Methane Gas Ownership Disputes
4 VAC 25-170 Geothermal Energy Regulations
Department of Energy
Town Hall Action/Stage: 5889 / 9528
January 12, 2022

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 (Code) and

Executive Order 14 (as amended, July 16, 2018). The analysis presented below represents DPB's best estimate of these economic impacts.¹

Summary of the Proposed Amendments to Regulation

Pursuant to legislation from the 2021 Special Session I, the Department of Energy proposes to amend in its regulations: 1) the name of the agency and two of its divisions, and 2) citations to the Code of Virginia.

Background

Chapter 532 of the 2021 Special Session I Acts of Assembly² renamed the Department of Mines, Minerals and Energy as the Department of Energy (NRG). Within NRG, the legislation renamed the Division of Mined Land Reclamation as the Division of Mined Land Repurposing, and the Division of Energy as the Division of Renewable Energy and Energy Efficiency. NRG proposes to amend its regulations to reflect these name changes.

Chapter 387 of the 2021 Special Session I Acts of Assembly³ recodified Titles 45.1 and 67 of the Code of Virginia, which pertain to NRG, into the new Title 45.2. NRG proposes to update Code of Virginia citations in its regulations to reflect Title 45.2.

Estimated Benefits and Costs

The proposed amendments would have no impact on requirements in practice, but may be beneficial in that readers of the regulations would be better informed concerning the proper names of the agency and its divisions, and may more easily find relevant sections of the Code of Virginia.

Businesses and Other Entities Affected

The proposed amendments affect readers of the agency's regulations. It would particularly affect those seeking relevant sections of the Code of Virginia.

¹ Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the analysis should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

² See <https://lis.virginia.gov/cgi-bin/legp604.exe?212+ful+CHAP0532>

³ See <https://lis.virginia.gov/cgi-bin/legp604.exe?212+ful+CHAP0387>

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.⁴ An adverse impact is indicated if there is any increase in net cost or reduction in net revenue for any entity, even if the benefits exceed the costs for all entities combined. No adverse impact is indicated for this proposal.

Small Businesses⁵ Affected:⁶

The proposed amendments do not appear to adversely affect small businesses.

Localities⁷ Affected⁸

The proposed amendments do not disproportionately affect particular localities and do not introduce costs for local governments.

Projected Impact on Employment

The proposed amendments do not affect employment.

Effects on the Use and Value of Private Property

The proposed amendments do not substantively affect the use and value of private property. The proposed amendments do not affect real estate development costs.

⁴ Pursuant to Code § 2.2-4007.04(D): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance. Statute does not define “adverse impact,” state whether only Virginia entities should be considered, nor indicate whether an adverse impact results from regulatory requirements mandated by legislation.

⁵ Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

⁶ If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) 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, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 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 shall be notified.

⁷ “Locality” can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulatory change are most likely to occur.

⁸ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.