

Office of Regulatory Management
Economic Review Form

Agency name	Department of Environmental Quality
Virginia Administrative Code (VAC) Chapter citation(s)	9 VAC 5-140
VAC Chapter title(s)	Regulation for Emissions Trading Programs
Action title	Amend CO2 Budget Trading Program to Reinstate the Regional Greenhouse Gas Initiative (RGGI) Model Rule as required by Chapter 7 of the 2026 Acts of Assembly (Revision A26)
Date this document prepared	April 9, 2026
Regulatory Stage (including Issuance of Guidance Documents)	Exempt Action: Final Regulation

This action is required to comply with Item 365 R of Chapter 7 of the 2026 Acts of Assembly, which requires the Department of Environmental Quality to take an action that includes: “(i) repealing or otherwise nullifying the final regulation titled 9VAC5-140, Regulation for Emissions Trading Programs, published in the Virginia Register of Regulations on July 31, 2023, no later than 90 days from the effective date of [Chapter 7 and] (ii) reissuing or otherwise reinstating the final regulation titled 9VAC5-140, Regulation for Emissions Trading Programs, published in the Virginia Register of Regulations on August 3, 2020, including any amendments necessary to account for the time such regulation was not in effect, no later than 90 days from the effective date of [Chapter 7.]”

Chapter 7 further provides that: “Any regulatory actions necessary to effectuate the requirements of [Item 365 R of Chapter 7] are hereby exempted from the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia). The Department of Environmental Quality shall complete such regulatory actions without further action by the State Air Pollution Control Board.”

The Office of the Attorney General has certified that: “(i) the Director has the authority to adopt the amendments to 9 VAC 5-140 pursuant to approved amendments to Virginia’s 2024-2026 biennial budget under Section R of HB29’s Item 365 and enacted as Chapter 7 of the 2026 Acts of Assembly (Chapter 7); (ii) the changes to 9 VAC 5-140 comply with and are mandated by Chapter 7; and (iii) the amendments are exempt from the provisions of the Virginia Administrative Process Act, Va. Code § 2.2-4000 et seq., and do not require action by the State Air Pollution Control Board pursuant to Chapter 7.”