

# APPENDIX – CODE OF VIRGINIA, TITLE 67, VIRGINIA ENERGY PLAN

## Chapter 1 - Energy Policy of the Commonwealth

### § 67-100. Legislative findings.

The General Assembly hereby finds that:

1. Energy is essential to the health, safety, and welfare of the people of this Commonwealth and to the Commonwealth's economy;
2. The state government should facilitate the availability and delivery of reliable and adequate supplies of energy to industrial, commercial, and residential users at reasonable costs such that these users and the Commonwealth's economy are able to be productive; and
3. The Commonwealth would benefit from articulating clear objectives pertaining to energy issues, adopting an energy policy that advances these objectives, and establishing a procedure for measuring the implementation of these policies.

### § 67-101. Energy objectives.

The Commonwealth recognizes each of the following objectives pertaining to energy issues will advance the health, welfare, and safety of the residents of the Commonwealth:

1. Ensuring the availability of reliable energy at costs that are reasonable and in quantities that will support the Commonwealth's economy;
2. Managing the rate of consumption of existing energy resources in relation to economic growth;
3. Establishing sufficient supply and delivery infrastructure to maintain reliable energy availability in the event of a disruption occurring to a portion of the Commonwealth's energy matrix;
4. Using energy resources more efficiently;
5. Facilitating conservation;
6. Optimizing intrastate and interstate use of energy supply and delivery to maximize energy availability, reliability, and price opportunities to the benefit of all user classes and the Commonwealth's economy as stated in subdivision 2 of § 67-100;
7. Increasing Virginia's reliance on sources of energy that, compared to traditional energy resources, are less polluting of the Commonwealth's air and waters;
8. Researching the efficacy, cost, and benefits of reducing, avoiding, or sequestering the emissions of greenhouse gases produced in connection with the generation of energy;

9. Removing impediments to the use of abundant low-cost energy resources located within and outside the Commonwealth and ensuring the economic viability of the producers, especially those in the Commonwealth, of such resources;
10. Developing energy resources and facilities in a manner that does not impose a disproportionate adverse impact on economically disadvantaged or minority communities;
11. Recognizing the need to foster those economically developable alternative sources of energy that can be provided at market prices as vital components of a diversified portfolio of energy resources; and
12. Increasing Virginia's reliance on and production of sustainably produced biofuels made from traditional agricultural crops and other feedstocks, such as winter cover crops, warm season grasses, fast-growing trees, algae or other suitable feedstocks grown in the Commonwealth that will create jobs and income, produce clean-burning fuels that will help to improve air quality, and provide the new markets for Virginia's silvicultural and agricultural products needed to preserve farm employment, conserve farmland and forestland, and increase implementation of silvicultural and agricultural best management practices to protect water quality.

Nothing in this section shall be deemed to abrogate or modify in any way the provisions of the Virginia Electric Utility Regulation Act (§ 56-576 et seq.).

#### **§ 67-102. Commonwealth Energy Policy.**

A. To achieve the objectives enumerated in § 67-101, it shall be the policy of the Commonwealth to:

1. Support research and development of, and promote the use of, renewable energy sources;
2. Ensure that the combination of energy supplies and energy-saving systems are sufficient to support the demands of economic growth;
3. Promote research and development of clean coal technologies, including but not limited to integrated gasification combined cycle systems;
4. Promote cost-effective conservation of energy and fuel supplies;
5. Ensure the availability of affordable natural gas throughout the Commonwealth by expanding Virginia's natural gas distribution and transmission pipeline infrastructure; developing coalbed methane gas resources and methane hydrate resources; encouraging the productive use of landfill gas; and siting one or more liquefied natural gas terminals;
6. Promote the generation of electricity through technologies that do not contribute to greenhouse gases and global warming;
7. Facilitate the development of new, and the expansion of existing, petroleum refining facilities within the Commonwealth;

8. Promote the use of motor vehicles that utilize alternate fuels and are highly energy efficient;
9. Support efforts to reduce the demand for imported petroleum by developing alternative technologies, including but not limited to the production of synthetic and hydrogen-based fuels, and the infrastructure required for the widespread implementation of such technologies;
10. Promote the sustainable production and use of biofuels produced from silvicultural and agricultural crops grown in the Commonwealth, and support the delivery infrastructure needed for statewide distribution to consumers;
11. Ensure that development of new, or expansion of existing, energy resources or facilities does not have a disproportionate adverse impact on economically disadvantaged or minority communities; and
12. Ensure that energy generation and delivery systems that may be approved for development in the Commonwealth, including liquefied natural gas and related delivery and storage systems, should be located so as to minimize impacts to pristine natural areas and other significant onshore natural resources, and as near to compatible development as possible.

B. The elements of the policy set forth in subsection A shall be referred to collectively in this title as the Commonwealth Energy Policy.

C. All agencies and political subdivisions of the Commonwealth, in taking discretionary action with regard to energy issues, shall recognize the elements of the Commonwealth Energy Policy and where appropriate, shall act in a manner consistent therewith.

D. The Commonwealth Energy Policy is intended to provide guidance to the agencies and political subdivisions of the Commonwealth in taking discretionary action with regard to energy issues, and shall not be construed to amend, repeal, or override any contrary provision of applicable law. The failure or refusal of any person to recognize the elements of the Commonwealth Energy Policy, to act in a manner consistent with the Commonwealth Energy Policy, or to take any other action whatsoever, shall not create any right, action, or cause of action or provide standing for any person to challenge the action of the Commonwealth or any of its agencies or political subdivisions.

## **Chapter 2 - Virginia Energy Plan**

### **§ 67-200. Definitions.**

As used in this title:

"Division" means the Division of Energy of the Department of Mines, Minerals and Energy.

"Plan" means the Virginia Energy Plan prepared pursuant to this chapter, including any updates thereto.

## **§ 67-201. Development of the Virginia Energy Plan.**

A. The Division, in consultation with the State Corporation Commission, the Department of Environmental Quality, and the Center for Coal and Energy Research, shall prepare a comprehensive Virginia Energy Plan covering a 10-year period. The Plan shall propose actions, consistent with the objectives enumerated in § 67-101, that will implement the Commonwealth Energy Policy set forth in § 67-102.

B. In addition, the Plan shall include:

1. Projections of energy consumption in the Commonwealth, including but not limited to the use of fuel sources and costs of electricity, natural gas, gasoline, coal, renewable resources, and other forms of energy resources used in the Commonwealth;
2. An analysis of the adequacy of electricity generation, transmission, and distribution resources in the Commonwealth for the natural gas and electric industries, and how regional generation, transmission, and distribution resources affect the Commonwealth;
3. An analysis of siting requirements for electric generation resources and natural gas and electric transmission and distribution resources;
4. An analysis of fuel diversity for electricity generation, recognizing the importance of flexibility in meeting future capacity needs;
5. An analysis of the efficient use of energy resources and conservation initiatives;
6. An analysis of how these Virginia-specific issues relate to regional initiatives to assure the adequacy of fuel production, generation, transmission, and distribution assets;
7. An analysis of siting of energy resource development, refining or transmission facilities to identify any disproportionate adverse impact of such activities on economically disadvantaged or minority communities; and
8. Recommendations, based on the analyses completed under subdivisions 1 through 7, for legislative, regulatory, and other public and private actions to implement the elements of the Commonwealth Energy Policy.

C. In preparing the Plan, the Division and other agencies involved in the planning process shall utilize state geographic information systems, to the extent deemed practicable, to assess how recommendations in the plan may affect pristine natural areas and other significant onshore natural resources.

D. In preparing the Plan, the Division and other agencies involved in the planning process shall develop a system for ascribing numerical scores to parcels of real property based on the extent to which the parcels are suitable for the siting of a wind energy facility or solar energy facility. For wind energy facilities, the scoring system shall address the wind velocity, sustained velocity, turbulence, proximity to electric power transmission systems, potential impacts to natural and historic resources and to economically disadvantaged or minority communities, and compatibility with the local land use plan. For solar energy facilities, the scoring system shall address the parcel's proximity to electric power transmission lines, potential impacts of such a facility to natural and historic resources and to economically disadvantaged or minority

communities, and compatibility with the local land use plan. The system developed pursuant to this section shall allow the suitability of the parcel for the siting of a wind energy facility or solar energy facility to be compared to the suitability of other parcels so scored, and shall be based on a scale that allows the suitability of the parcel for the siting of a such an energy facility to be measured against the hypothetical score of an ideal location for such a facility.

E. After July 1, 2007, upon receipt by the Division of a recommendation from the Department of General Services, a local governing body, or the parcel's owner that a parcel of real property is a potentially suitable location for a wind energy facility or solar energy facility, the Division shall analyze the suitability of the parcel for the location of such a facility. In conducting its analysis, the Division shall ascribe a numerical score to the parcel using the scoring system developed pursuant to subsection D.

#### **§ 67-202. Schedule.**

A. The Division shall complete the Plan by July 1, 2007.

B. Prior to completion of the Plan and updates thereof, the Division shall present drafts to, and consult with, the Coal and Energy Commission and the Commission on Electric Utility Regulation.

C. The Plan shall be updated by the Division and submitted as provided in § 67-203 by July 1, 2010, and every four years thereafter. Updated reports shall reassess goals for energy conservation based on progress to date in meeting the goals in the previous plan and lessons learned from attempts to meet such goals.

#### **§ 67-202.1. Annual reporting by investor-owned public utilities.**

Each investor-owned public utility providing electric service in the Commonwealth shall prepare an annual report disclosing its efforts to conserve energy, including but not limited to (i) its implementation of customer demand-side management programs and (ii) efforts by the utility to improve efficiency and conserve energy in its internal operations pursuant to § 56-235.1. The utility shall submit each annual report to the Division of Energy of the Department of Mines, Minerals and Energy by November 1 of each year, and the Division shall compile the reports of the utilities and submit the compilation to the Governor and the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

#### **§ 67-203. Submission of Plan.**

Upon completion, the Division shall submit the Plan, including periodic updates thereto, to the Governor, the Commissioners of the State Corporation Commission, and the General Assembly. The Plan shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents. The Plan's executive summary shall be posted on the General Assembly's website.