

Virginia Commission on Energy and Environment

Tuesday, January 4, 2010, 10:00 a.m.
Senate Room A, General Assembly Building
Richmond, Virginia

Agenda

I. Welcome & Call to Order

Senator Mary Margaret Whipple, Chairman

II. Consideration of Legislation

- A. **Development of offshore wind energy.** Expresses the support of the General Assembly for the development of offshore wind energy resources adjacent to Virginia's shores, with a goal of the development of 3,000 megawatts of offshore wind power by 2025. The bill also expresses that the Commonwealth of Virginia should be the hub of the offshore wind industry on the East Coast.
- B. **National Offshore Wind Technology Center.** Expresses the support of the General Assembly for the establishment of a National Offshore Wind Technology Center in Hampton Roads, Virginia.
- C. **Clean Energy Manufacturing Incentive Grant Program created.** Repeals both the Solar Photovoltaic Manufacturing Incentive Grant Program and the Biofuels Production Incentive Grant Program to create a program that provides financial incentives to companies that manufacture or assemble equipment, systems, or products used to produce renewable or nuclear energy, or products used for energy conservation, storage, or grid efficiency purposes. To be eligible for a grant, the manufacturer must make a capital investment greater than \$50 million and create at least 200 full-time jobs that pay at least the prevailing wage. A wind energy supplier must make a capital investment of greater than \$10 million and creates at least 30 full-time jobs that pay at least the prevailing wage.
- D. **Renewable energy sources production tax credit.** Establishes, beginning January 1, 2011, a \$1-per-megawatt-hour corporate income tax credit for each megawatt-hour of electricity or megawatt-hour equivalent in thermal energy that an energy producer generates from renewable energy sources harvested or captured in Virginia and sold during the taxable year. The bill would provide a 10-year carryforward period for any credit not usable in the taxable year of sale.
- E. **Electric utilities; integrated resource plans.** Provides that an electric utility's integrated resource plan should take into consideration environmental impacts, externalities, and price stability. Externalities are defined as including the costs, benefits, and other effects on societal welfare, health, and the environment that result from the production of energy, delivery of energy, or reduction in the use of energy through efficiency improvements, and that are external to a transaction between the supplier of energy or efficiency improvements and the wholesale or retail customer of the energy.
- F. **Study; expansion of the Chesapeake Bay Watershed Nutrient Credit Exchange Program; report.** Requests that the Secretary of Natural Resources study the expansion of the Chesapeake Bay Watershed Nutrient Credit Exchange Program. In conducting its study, the Secretary of Natural Resources shall convene a stakeholder committee to include representatives from the nutrient source sectors identified in the Chesapeake Bay Total Maximum Daily Load, private sector interests with experience and expertise in market-based approaches and nutrient credits and trading, state agency personnel, local governments, conservation and environmental

organizations, and any other persons deemed by the Secretary to have relevant knowledge, perspective, or experience.

- G. **Income tax; agricultural best management practices.** Allows any taxpayer to transfer income tax credits that he receives for agricultural best management practices and that he cannot use to another taxpayer who can use the credits, for taxable years beginning on or after January 1, 2011.
- H. **Fertilizer; regulation of application and labeling.** Regulates several aspects relating to the application and use of fertilizer to lawns and turfs including a prohibition of the application of fertilizers containing phosphorus, a prohibition on the application of fertilizer when the ground is frozen, and the inclusion of a cautionary label on application and use. The prohibitions do not apply if: (i) the turf area is newly established or under repair; (ii) recent soil tests performed indicate the need for phosphorus fertilizer; (iii) the turf area is a golf course that has implemented a nutrient management plan; (iv) the area is a garden or greenhouse; or (v) the product being used is manipulated manure or yard waste compost. The bill also prohibits localities from regulating the use or application of fertilizers. The Department of Conservation and Recreation is required to adopt regulations and operate a voluntary nutrient management training program to enable landowners and operators to prepare nutrient management plans for their own property. Golf course owners are specifically required to develop and implement nutrient management plans.
- I. **Agriculture; resource management plans.** Allows owners of agricultural land who implement and maintain a resource management plan to be deemed as being in full compliance with applicable state water quality requirements. The presumption does not extend to those operations (i) required to obtain a Virginia Pollutant Discharge Elimination System Permit, (ii) required to obtain a Virginia Pollution Abatement Permit, and (iii) otherwise required by law or regulation to implement a resource management or nutrient management plan. The Board of Agriculture and Consumer Services, by regulation and with the assistance of the Department of Conservation and Recreation, shall determine the criteria necessary for qualified resource management plans. The bill sets out minimum criteria for the regulations.

VII. Public Comment

Members

The Honorable Mary Margaret Whipple, Chair
The Honorable J. Chapman Petersen
The Honorable Richard H. Stuart
The Honorable Harvey B. Morgan
The Honorable Edward T. Scott
The Honorable Charles D. Poindexter
The Honorable Joseph P. Johnson, Jr.
The Honorable Mark D. Sickles

Mr. Patrick G. Hatcher
Ms. Karen Kennedy Schultz
Mr. Hugh E. Montgomery, Jr.
Mr. August Wallmeyer
Mr. Arlen K. Bolstad
Mr. David K. Paylor, *ex officio*
Mr. Conrad T. Spangler, *ex officio*

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