Virginia Department of Planning and Budget
Economic Impact Analysis

9 VAC 15-60 Small Renewable Energy Projects (Solar) Permit by Rule
Department of Environmental Quality
Town Hall Action/Stage: 7016 / 11185 Fast-Track
June 3, 2026

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 19. The analysis presented below represents DPB's best estimate of the potential economic impacts as of the date of this analysis.[1]

Summary of the Proposed Amendments to Regulation

The Department of Environmental Quality (DEQ) seeks to correct the definition of "mitigation districts" to prevent confusion regarding the mitigation requirements contained in this regulation.

Background

The definition of "mitigation districts" groups the Commonwealth's 21 planning district commissions into seven mitigation districts; it was added by a 2025 action that introduced specific requirements for conservation easements for solar projects.[2] DEQ reports that the current definition inadvertently omitted one planning district commission and listed another twice. The proposed corrections are necessary to address this error and thereby ensure that the required conservation easements are located in the same mitigation districts as the proposed solar projects.

Specifically, DEQ seeks to add the Crater Planning District Commission to the Richmond-Hampton Roads mitigation district, and remove the Commonwealth Regional Council from the Richmond-Hampton Roads mitigation district so that it is only listed under the Southside mitigation district. Lastly, the names of the planning district commissions would be

[1] See Code § 2.2-4007.04 (A).
[2] See https://townhall.virginia.gov/L/ViewAction.cfm?actionid=6246.

corrected to match their official names as provided by the Virginia Department of Housing and Community Development.

Estimated Benefits and Costs

The proposed amendments would improve the clarity of the regulation and ensure that land purchased for a conservation easement is in the same mitigation district as the land that would be impacted by the solar development. This correction would reduce confusion for solar developers and remove the administrative burden of clarifying the definition on an ongoing basis. The proposed changes would not create any new direct or indirect costs.

Businesses and Other Entities Affected

As mentioned previously, the proposed amendments would benefit solar developers seeking a permit by providing an accurate definition of mitigation districts.

The Code requires DPB to assess whether an adverse impact may result from the proposed regulation.[3] An adverse impact is indicated if there is any increase in net cost or reduction in net benefit for any entity, even if the benefits exceed the costs for all entities combined.[4] As noted above, the proposed amendments would not increase net costs or reduce net benefits. Thus, an adverse impact is not indicated.

Small Businesses[5] Affected:[6]

The proposed amendments would not adversely affect small businesses. Solar developers that are small businesses would benefit from the increased clarity resulting from the proposed changes.

[3] See Code § 2.2-4007.04 (D).
[4] 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. As a result, DPB has adopted a definition of adverse impact that assesses changes in net costs and benefits for each affected Virginia entity that directly results from discretionary changes to the regulation.
[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] See Code § 2.2-4007.04 (A.2). and Code § 2.2-4007.1 (C).

Localities[7] Affected[8]

The proposed amendments could affect the localities represented by the Crater Planning District Commission and the Commonwealth Regional Council since the former had been omitted from the definition and the latter had been erroneously included under two mitigation districts. These localities may be affected to the extent the the proposed corrections lead to increased solar development and/or land purchases for the purposes of conservation easement as a result of being included in the correct mitigation district.

The Crater Planning District, which would be included in the Richmond-Hampton Roads mitigation district, includes the counties of Charles City, Chesterfield, Dinwiddie, Greensville, Prince George, Surry, and Sussex, and the cities of Colonial Heights, Emporia, Petersburg, and Hopewell. The Commonwealth Regional Council, which would be removed from the Richmond-Hampton Roads mitigation district and would remain in the Southside mitigation district, includes the counties of Amelia, Buckingham, Charlotte, Cumberland, Lunenberg, Nottoway, and Prince Edward.

The proposed amendments do not introduce costs for local governments.

Projected Impact on Employment

The proposed amendments would not affect total employment.

Effects on the Use and Value of Private Property

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

[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] Code § 2.2-4007.04 defines "particularly affected" as bearing disproportionate material impact.