Office of Regulatory Management

Economic Review Form

Agency name	Department of Environmental Quality
Virginia Administrative Code (VAC) Chapter citation(s)	9VAC15-100
VAC Chapter title(s)	Small Energy Storage Facilities Permit by Rule
Action title	Amend 9VAC15-100 to comport with the requirements of § 10.1-1197.5 *et seq.* of the Code of Virginia
Date this document prepared	May 14, 2026
Regulatory Stage (including Issuance of Guidance Documents)	Exempt Action

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

(1) Direct & Indirect Costs & Benefits (Monetized)	The purpose of a Permit by Rule is to provide expedited, simplified permitting as mandated by state law; this provides a measure of regulatory relief. The small energy storage permit by rule framework eliminates uncertainty in the permitting process because the 15 criteria which must be met to receive a permit to construct and operate are set forth in § 10.1-1197.6 (B) of the Code of Virginia. Further, the regulation specifies that DEQ must render a decision concerning the permit application within 90 days. This significant reduction in uncertainty is in itself beneficial and will increase the likelihood that net beneficial projects will go forward. **Background about the technical corrections:** § 10.1-1197.5 of the Code of Virginia defines "small renewable energy project" as "(i) an electrical generation facility with a rated capacity not exceeding 150 megawatts that generates electricity only from sunlight or wind; (ii) an electrical generation facility with a rated capacity not exceeding 100 megawatts that generates electricity only from falling water, wave motion, tides, or geothermal power; (iii) an electrical generation facility with a rated capacity not exceeding 20 megawatts that generates electricity only from biomass, energy from waste, or municipal solid waste; (iv) an energy storage facility that uses electrochemical cells to convert chemical *energy with a rated capacity* [emphasis added] not exceeding 150 megawatts [MW]; or (v) a hybrid project composed of an electrical generation facility that meets the parameters established in clause (i), (ii), or (iii) and an energy storage facility that meets the parameters established in clause (iv). Utilizing the statute as the basis for the Small Energy Storage Facilities Permit by Rule regulation ("regulation"), the existing language in the regulation contains three technical errors: 1. The definition of "rated power capacity" in 9VAC15-100-10 is technically incorrect and uses the wrong units. DEQ is amending this definition to be consistent with industry standard language from the National Laboratory of the Rockies (NLR): "Rated power capacity is the total possible instantaneous discharge capability (in kilowatts [kW] or megawatts [MW]) of the energy storage system, or the maximum rate of discharge that the energy storage system can achieve, starting from a fully charged state." 2. The current language in 9VAC15-100-30 A 5 erroneously states, "5. A certification signed and stamped by a professional engineer licensed in Virginia that the *maximum storage capacity* [emphasis added] of the facility, as designed, does not exceed 150 MW." The phrase "maximum storage capacity" is incorrect and must be

	replaced with "rated power capacity" to be consistent with the statute. 3. The current language in 9VAC15-100-130 B 4 erroneously states, "4. A certification signed and stamped by a professional engineer licensed in Virginia that the *maximum storage capacity* [emphasis added] of the facility, as designed, does not exceed 150 MW." The phrase "maximum storage capacity" is incorrect and must be replaced with "rated power capacity" to be consistent with the statute. **Direct Costs**: There are no direct costs to the regulated community or the Department in response to this regulatory amendment. **Indirect Costs**: There are no indirect costs to the regulated community or the Department in response to this regulatory amendment. **Direct Benefits**: The amended language will allow applicants to provide a correct certification consistent with the requirements of § 10.1-1197.5 of the Code of Virginia and is anticipated to minimize confusion caused by the use of incorrect terminology in the current regulation. **Indirect Benefit**s: Small energy storage projects are beneficial to the environment because they store electricity that might otherwise be lost. Public health and welfare are thus protected. Storage of electricity also helps reduce our country's dependence on foreign energy sources and helps increase jobs.

(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) None	(b) Indeterminate direct and indirect benefits related to the technical corrections.
(3) Net Monetized Benefit	Indeterminate but clearly positive.	
(4) Other Costs & Benefits (Non-Monetized)	N/A	
(5) Information Sources	Previously prepared regulatory development documents.	

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs & Benefits (Monetized)	**Direct Costs:** The costs to prepare permit applications under the status quo are likely higher due to the confusing regulatory language that conflates units of power and energy. **Indirect Costs:** Indirect costs associated with the status quo arise from the confusion caused by the existing regulatory text using incorrect terminology and units for power and energy. **Direct Benefits:** No direct benefits would be realized by retaining the status quo. **Indirect Benefits:** No indirect benefits would be realized by retaining the status quo.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Fiscal estimates are indeterminate.	(b) Fiscal estimates are indeterminate.
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	N/A	
(5) Information Sources	Previously prepared regulatory development documents.	

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	This amendment is a technical correction to the regulation. No alternative approaches were considered. **Direct Costs:** N/A **Indirect Costs:** N/A **Direct Benefits:** N/A **Indirect Benefits:** N/A	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	N/A	
(5) Information Sources	N/A	

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	**Direct Costs:** The Energy Storage PBR is not expected to create costs for localities unless a locality chooses to develop an energy storage project. See Table 1a. **Indirect Costs:** There are no indirect costs to localities. **Direct Benefits:** See Table 1a.

	Indirect Benefits: See Table 1a.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) See Table 1a.	(b) See Table 1a.
(3) Other Costs & Benefits (Non-Monetized)	N/A	
(4) Assistance	N/A	
(5) Information Sources	Previously prepared regulatory development documents.	

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	**Direct Costs:** N/A **Indirect Costs:** N/A **Direct Benefits:** N/A **Indirect Benefits:** N/A	
2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	N/A	
(4) Information Sources	N/A	

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	Developers of small energy storage projects could be classified as small businesses and would be impacted the same as other entities. **Direct Costs:** See Table 1a.

	Indirect Costs: See Table 1a. **Direct Benefits:** See Table 1a. **Indirect Benefits:** See Table 1a.

(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) See Table 1a.	(b) See Table 1a.

(3) Other Costs & Benefits (Non-Monetized)	N/A
(4) Alternatives	N/A - the regulation must align with the statute.
(5) Information Sources	Previously prepared regulatory development documents.

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
9VAC15-100-10	**(M/A):**	**0**	0	0	0
	(D/A):	**0**	0	0	0
	(M/R):	**1**	0	0	0
	(D/R):	**0**	0	0	0
9VAC15-100-30 A 5	**(M/A):**	**0**	0	0	0
	(D/A):	**0**	0	0	0
	(M/R):	**1**	0	0	0

	(D/R):	**0**	0	0	0
9VAC15-100-130 B 4	**(M/A):**	**0**	0	0	0
	(D/A):	**0**	0	0	0
	(M/R):	**1**	0	0	0
	(D/R):	**0**	0	0	0
				Grand Total of Changes in Requirements:	**(M/A): 0**
					(D/A): 0
					(M/R): 0
					(D/R): 0

Key:
Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:
(M/A): Mandatory requirements mandated by federal and/or state statute affecting the agency itself
(D/A): Discretionary requirements affecting agency itself
(M/R): Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies
(D/R): Discretionary requirements affecting external parties, including other agencies

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	**Description of Regulatory Requirement**	**Initial Cost**	**New Cost**	**Overall Cost Savings/Increases**
N/A				

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved*	**Description of Regulatory Change**	**Overview of How It Reduces or Increases Regulatory Burden**
N/A		

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	**Original Word Count**	**New Word Count**	**Net Change in Word Count**
N/A			

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).