TENATIVE AGENDA
STATE AIR POLLUTION CONTROL BOARD MEETING

TUESDAY, AUGUST 18, 2026

IN PERSON ONLY – Bank of America Building
3rd Floor Conference Room
1111 E. Main Street
Richmond, VA 23219

Convene – 9:30 A.M.

Agenda Item	Presenter	
Call to Order	**Domenech**	
Review and Approve Agenda	**Board Members**	
Election of Chair	**Board Members**	
Review and Approve Minutes (December 4, 2025)	**Board Members**	A
Final Exempt Regulations		
Final Exempt Regulations – Implementation of Chapters 1027 and 1045 of the 2026 Acts of Assembly (SB767and HB312), Regulations for the Control of Motor Vehicle Emissions in the Northern Virginia Area (9VAC5-91), (Rev. MT)	**Wack**	B
Final Exempt Regulations – Implementation of Chapter 397 of the 2026 Acts of Assembly (HB507), New and Modified Stationary Sources (9VAC5-50), (Rev. B26)	**Wack**	C
Final Exempt Regulations – Implementation of the 2015 Ozone National Ambient Air Quality Standard (NAAQS) in Case-by-Case RACT Determinations, Regulations for Existing Stationary Sources (9VAC5-40), (Rev. C26)	**Wack**	D
Reports to the Board		
Anticipated Forthcoming Regulatory Actions	**Wack**	
Controversial Permits *Amazon Data Services Inc. IAD-457 – Caroline County* *Amazon Data Services Inc. IAD-557 – Louisa County* *PointOne Richmond LLC – Charles City County* *Expedition Generation Holdings LLC – Fluvanna County* *MVP – Swann Compressor Station – Montgomery County* *Northrop Grumman Systems – City of Waynesboro*	**Jenkins**	

Agenda Item	Presenter
Air Regulations and Actions that Apply to Data Centers	**Faggert**
Climate Pollution Reduction Grant (CPRG) Program / Comprehensive Climate Action Plan (CCAP) Status Update	**Ballou**
Regional Greenhouse Gas Initiative (RGGI) Status Update	**Rak**

Public Forum
(time not to exceed 45 minutes- no public comment on agenda items or pending regulatory actions during public forum)

Adjourn

NOTE: The Board reserves the right to revise this agenda without notice unless prohibited by law. Revisions to the agenda include, but are not limited to, scheduling changes, additions or deletions. Questions on the latest status of the agenda should be directed to Jill Hrynciw at Jill.Hrynciw@deq.virginia.gov or (804) 929-6559.

PUBLIC COMMENTS AT STATE AIR POLLUTION CONTROL BOARD MEETINGS: The Board encourages public participation in the performance of its duties and responsibilities. To this end, the Board has adopted public participation procedures for regulatory action and for case decisions made by the Department of Environmental Quality (Department). These procedures establish the times for the public to provide appropriate comment to the Board for regulatory action and the Department for case decisions for consideration.

For REGULATORY ACTIONS (adoption, amendment or repeal of regulations), public participation is governed by the Administrative Process Act and the Board's Public Participation Guidelines. Public comment is accepted during the Notice of Intended Regulatory Action phase (minimum 30-day comment period) and during the Notice of Public Comment Period on Proposed Regulatory Action (minimum 60-day comment period). Notice of these comment periods is announced in the Virginia Register, by posting to the Department and Virginia Regulatory Town Hall web sites and by mail to those on the Regulatory Development Mailing List. The comments received during the announced public comment periods are summarized for the Board and considered by the Board when making a decision on the regulatory action.

For CASE DECISIONS (e.g., issuance and amendment of permits and enforcement orders), the Board adopts public participation procedures in the individual regulations which establish the permit programs. (Note: as of July 1, 2022, the Department takes final action on all case decisions.) As a general rule, public comment is accepted on a draft permit for a period of 30 days. In some cases a public hearing is held at the conclusion of the public comment period on a draft permit. In other cases there may an additional comment period during which a public hearing is held, usually 45 days.

In light of these established procedures, the Board accepts public comment on regulatory actions as well as general comments, at Board meetings in accordance with the following:

REGULATORY ACTIONS: Comments on regulatory actions are allowed only when the staff initially presents a regulatory action to the Board for final adoption. At that time, those persons who commented during the public comment period on the proposal are allowed up to 3 minutes to respond to the summary

of the comments presented to the Board. Adoption of an emergency regulation is a final adoption for the purposes of this policy. Also, public comment will be accepted for certain final exempt actions where there has been no public comment period. Persons are allowed up to 3 minutes to address the Board on the emergency regulation and final exempt actions under consideration.

POOLING MINUTES ON REGULATORY ACTIONS: Those persons who commented during the public hearing or public comment period and attend the Board meeting may pool their minutes to allow for a single presentation to the Board that does not exceed the time limitation of 3 minutes times the number of persons pooling minutes, or 15 minutes, whichever is less.

NEW INFORMATION ON A REGULATORY ACTION will not be accepted at the meeting. The Board expects comments and information on a regulatory action to be submitted during the established public comment periods. However, the Board recognizes that in rare instances new information may become available after the close of the public comment period. To provide for consideration of and ensure the appropriate review of this new information, persons who commented during the prior public comment period shall submit the new information to the Department staff contact listed below at least 10 days prior to the Board meeting. The Board's decision will be based on the Department-developed official file and discussions at the Board meeting. Should the Board or Department decide that the new information was not reasonably available during the prior public comment period, is significant to the Board's decision and should be included in the official file, the Department may announce an additional public comment period in order for all interested persons to have an opportunity to participate.

PUBLIC FORUM: The Board schedules a public forum at each regular meeting to provide an opportunity for citizens to address the Board on matters other than those on the agenda or pending regulatory actions. Those persons wishing to address the Board during this time should indicate their desire on the sign-in cards/sheet and limit their presentations to 3 minutes or less. Note, there is no pooling of minutes during the public forum.

The Board reserves the right to alter the time limitations set forth in this policy without notice and to ensure comments presented at the meeting conform to this policy.

Department of Environmental Quality Staff Contact: Jill Hrynciw, Policy Analyst, Department of Environmental Quality, 1111 East Main Street, Suite 1400, P.O. Box 1105, Richmond, Virginia 23218, phone (804) 929-6559, e-mail: Jill.Hrynciw@deq.virginia.gov

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Additional Meeting Information:

- No food or beverages allowed in meeting space.
- Attendees may not erect any signage inside or outside the meeting room or building.
- Attendees are not entitled to be disorderly or disrupt the meeting from proceeding in an orderly, efficient, and effective fashion. Disruptive behavior may result in a recess or removal from the meeting.
- Possession or use of any device that may disrupt the conduct of business is prohibited, including but not limited to: voice-amplification equipment; bullhorns; blow horns; sirens, or other noise-producing devices; as well as signs on sticks, poles or stakes; or helium-filled balloons.
- All attendees are asked to be respectful of all speakers.
- Rules will be enforced fairly and impartially not only to ensure the efficient and effective conduct of business, but also to ensure no interference with the business of the complex, its employees and guests.

- Attendees wishing to record the proceedings are welcome to do so; however, you may not interfere with the business of the meeting, nor impede the view or participation of other meeting attendees and staff.
- No smoking is allowed unless in a designated outside space. This includes tobacco & e-cigarettes.
- No alcohol, fireworks, pyrotechnics, weapons, or any substances/items controlled by law are allowed.
- No firearms are allowed except for firearms carried by law-enforcement officers or authorized security personnel.
- All violators may be subject to removal from the meeting facility.
- Anyone removed from the facility may not reenter.
- Anyone who fails to comply with removal may be charged with trespass.

Commonwealth of Virginia

VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY

www.deq.virginia.gov

David L. Bulova
Secretary of Natural and Historic Resources

Michael S. Rolband, PE, PWD, PWS Emeritus
Director

MEMORANDUM

To: Members of the State Air Pollution Control Board

From : Jill R. Hrynciw

Date: July 14, 2026

Subject: Minutes

Attached are the minutes from the State Air Pollution Control Board meeting on December 4, 2025. Staff will seek your approval of the minutes at your next meeting.

If you have any questions, please contact me at (804) 929-6559 or jill.hrynciw@deq.virginia.gov.

Attachment

DRAFT MINUTES
STATE AIR POLLUTION CONTROL BOARD MEETING

THURSDAY, DECEMBER 4, 2025

General Assembly Building, 2nd floor, House Subcommittee South,
201 North 9th Street, Richmond, VA 23219

Board Members Present:
Emily Domenech, Vice Chair
David Hudgins
Crystal Bazyk
Ronald Jefferson

Board Members Absent:
Jim Guy, Chair
Kimberly Beamer

Department of Environmental Quality:
Michael Rolband, Director
Jill Hrynciw, Board Coordinator
Melissa Porterfield, Board Coordinator
Julia Wack
Michael Dowd

Office of Attorney General (OAG):
Eric Lansing, Assistant Attorney General

These minutes summarize activities that took place at this Board meeting. The meeting was convened at 10:35 a.m. and adjourned at 11:12 a.m. Board member introductions were made, and Mr. Hudgins welcomed two newly appointed members, Ms. Crystal Bazyk and Mr. Ronald Jefferson.

Minute No. 1- Review and Approval of Agenda: The Board unanimously approved the agenda.

Minute No. 2- Election of Vice Chair: On a motion by Ms. Domenech, and seconded by Mr. Jefferson, the board voted unanimously to elect Ms. Domenech as Vice Chair.

Minute No. 4- April 17, 2025 Minutes: On a motion by Mr. Hudgins, and a second by Ms. Domenech, the Board approved the minutes from the Board's meeting on April 17, 2025. Mr. Jefferson and Ms. Bazyk abstained given they were not Board members and therefore not present at the April 17, 2025, Board meeting.

Minute No. 5 – Electronic Meetings Policy: Mr. Eric Lansing of the Office of Attorney General (OAG) presented an Electronic Meetings Policy for review and approval by the Board. Based on the Board book material, OAG staff presentation and Board discussion, the Board unanimously adopted an Electronic Meetings Policy pursuant to the authorization of Va. Code § 2.2-3708.3 and which is strictly construed in conformance with the Virginia Freedom of Information Act, Va. Code §§ 2.2-3700 – 3715.

Minute No. 6- Amend the Air regulations to update date of Incorporation by Reference – General Provisions (9VAC5-20), New and Modified Stationary Sources (9VAC5-50) and Hazardous Air Pollutant Sources (9VAC5-60), (Rev. D25) Final Exempt Action: Ms. Julia Wack presented the Board with final exempt amendments to 9VAC5-20, 9VAC5-50 and 9VAC5-60 that incorporate by reference

certain federal regulations to reflect the Code of Federal Regulations as published on July 1, 2025. Ms. Wack explained that the purpose of the proposed action is to amend the regulations to incorporate newly promulgated and amended federal New Source Performance Standards (NSPSs), National Emission Standards for Hazardous Air Pollutants (NESHAPs), and national emission standards for hazardous air pollutants for source categories (Maximum Achievable Control Technology Standards, or MACTs), Rules 5-5, 6-1, and 6-2, respectively, of the Board's regulations. Further, she explained that the regulated community in Virginia is already subject to these newly promulgated and amended standards under EPA's enforcement authority. Ms. Wack explained that the Board needs to incorporate newly promulgated and amended NSPS, NESHAP, and MACT standards in order for the Department to obtain authority from the U.S. Environmental Protection Agency (EPA) to enforce these standards.

After presenting this amendment to the Board, Ms. Wack then made the following recommendation:
1. That the Board adopt the proposal with an effective date consistent with the Administrative Process Act; and
2. In adopting this proposal, the Board affirms that it will receive, consider, and respond to petitions by any person at any time with respect to reconsideration or revision, as provided in § 2.2-4006 B of the Administrative Process Act.

Based on the Board book material and staff presentation, the Board unanimously (i) adopted the amendments with an effective date consistent with the Administrative Process Act and (ii) affirmed that it would receive, consider, and respond to petitions by any person at any time with respect to reconsideration or revision, as provided in § 2.2-4006 B of the Administrative Process Act.

Minute No. 7- <u>General Definition - Amend the definition of Volatile Organic Compounds (9VAC5-10), (Rev. C25) Fast Track Action:</u> Ms. Julia Wack presented the Board with a fast-track action to 9VAC5-10 to revise the definition of "volatile organic compound" (VOC) to add *cis*-1,1,1,4,4,4-hexafluorobut-2-ene (HFO-1336mzz-Z) to the list of substances not considered to be a VOC in Virginia. Ms. Wack explained that the general definitions of 9VAC5-10 impose no regulatory requirements in and of themselves but provide support to other provisions of the Regulations for the Control and Abatement of Air Pollution. The U.S. Environmental Protection Agency (EPA) has revised the definition of VOC to add *cis*-1,1,1,4,4,4-hexafluorobut-2-ene (also known as HFO-1336mzz-Z; CAS number 692-49-9) to the list of substances excluded from the definition of VOC on the basis that this substance makes a negligible contribution to tropospheric ozone formation. Ms. Wack further explained that the state definition must now be revised accordingly to provide consistency with federal requirements and flexibility to facilities that could benefit from the use of this substance.

After presenting this amendment to the Board, Ms. Wack then made the following recommendation:

1. Authorize DEQ to promulgate the proposal for public comment using the fast-track process established in § 2.2-4012.1 of the Administrative Process Act for regulations expected to be non-controversial. The Board's authorization constitutes its adoption of the regulation at the end of the public comment period provided that:

   i. No objection to use of the fast-track process is received from 10 or more persons, or any member of the applicable standing committee of either house of the General Assembly or of the Joint Commission on Administrative Rules, and
   ii. DEQ does not find it necessary, based on public comments or for any other reason, to make any changes to the proposal.

2. Authorize DEQ to set an effective date 15 days after close of the 30-day public comment period, provided:

i. The proposal completes the fast-track rulemaking process as provided in § 2.2-4012.1 of the Administrative Process Act, and
ii. DEQ does not find it necessary to make any changes to the proposal.

Ms. Domenech asked a clarifying question to confirm that this amendment creates a positive outcome in that this chemical was developed because it has a lower global warming impact than alternative substances. Ms. Wack confirmed this to be the case. Mr. Hudgins asked a clarifying question regarding the timeline of this amendment. Ms. Wack explained how the need for this fast track regulation became known to DEQ in correlation to the resulting timeline.

Based on the Board book material, staff presentation and Board discussion, the Board unanimously (i) authorized DEQ to promulgate for proposal for public comment using the fast-track process established in § 2.2-4012.1 of the APA for regulations expected to be non-controversial. Further that the Board's authorization constitutes its adoption of the regulation at the end of the public comment period provided that no objection to use of the fast-track process is received from 10 or more persons, or any member of the applicable standing committee of either house of the General Assembly or of the Joint Commission on Administrative Rules, and DEQ does not find it necessary, based on public comments or for any other reason, to make any changes to the proposal. In the same Board action, the Board unanimously (ii) authorized DEQ to set an effective date 15 days after close of the 30-day public comment period, provided the proposal completes the fast-track process as provided in § 2.2-4012.1 of the APA and DEQ does not find it necessary to make any changes to the proposal.

Minute No. 8- <u>Report to the Board Regarding Controversial Permits</u>: Mr. Michael Dowd, Air and Renewable Energy Division Director, informed the Board that the Department is considering three permits that meet the statutory definition of a controversial permit. The controversial permits are for the Chesterfield Energy Reliability Center (CERC), Swann Compressor Station – MVP, and Amazon Data Center – Caroline County.

Minute No. 9- <u>Director's Report:</u> The Board received a report from Michael Dowd, Air and Renewable Energy Division Director. Mr. Dowd provided an overview of the air and renewal energy division's programs and accomplishments during his tenure as Director which began in 2008. These accomplishments included a decrease in criteria pollutants, including decreases in ozone and very fine particulate matter ($PM_{2.5}$) such that the entire Commonwealth is attaining the health-based National Ambient Air Quality Standards (NAAQS) established by the federal Clean Air Act. At the conclusion of Mr. Dowd's presentation, Mr. Rolband and Ms. Domenech thanked Mr. Dowd for his leadership of DEQ's Air and Renewable Energy Division, congratulated him and the Division on their accomplishments, and congratulated Mr. Dowd on his upcoming retirement.

Minute No. 10- <u>Public Forum</u>: No individuals addressed the Board during the public forum.

DRAFT

COMMONWEALTH OF VIRGINIA
STATE AIR POLLUTION CONTROL BOARD MEETING

August 2026

SUBJECT: Final Exempt Regulations – Implementation of Chapters 1027 and 1045 of the 2026 Acts of Assembly (SB 767 and HB 312), Regulations for the Control of Motor Vehicle Emissions in the Northern Virginia Area (9VAC5-91), (Rev. MT)

CONTACT: Julia Wack
julia.n.wack@deq.virginia.gov/804-432-3581
Policy Analyst, Office of Air Data Analysis and Planning
Department of Environmental Quality

INTRODUCTION

The Regulations for the Control of Motor Vehicle Emissions in Northern Virginia are being amended in response to the passage of Senate Bill 767 and House Bill 312 (Chapters 1027 and 1045 of the 2026 Acts of Assembly), which amend emissions inspection waiver eligibility requirements in § 46.2-1181 of the Code of Virginia.

The amended language allows vehicles that have failed an initial emissions inspection to qualify for an emissions inspection waiver if when presented for emissions reinspection the onboard diagnostic system is in a not-ready condition to be tested and other requirements for an emissions inspection waiver are met. To meet the statutory requirements of Senate Bill 767 and House Bill 312, 9VAC5-91-420 is being amended to reflect the revised emissions inspection waiver requirements and ensure that the Commonwealth will be able to meet its obligations under state law.

REGULATORY ACTION ADOPTION PROCESS

The regulation amendment is exempt from the state administrative procedures for adoption of regulations contained in Article 2 of the Administrative Process Act pursuant to the provisions of § 2.2-4006 A 4 a of the Code of Virginia because it is necessary to conform to changes in Virginia statutory law where no agency discretion is involved. However, such regulations shall be filed with the Registrar within 90 days of the law's effective date. Further, in adopting the regulation amendment under the provisions of § 2.2-4006 B of the Code of Virginia, the Board is required to state that it will receive, consider, and respond to petitions by any interested person at any time with respect to reconsideration or revision.

Notice that the regulation would be considered by the Board and that public comment would be accepted at the Board meeting in accordance with the Board's policy on public comment at Board meetings was provided to the public by posting of the Board's agenda to the Virginia Regulatory Town Hall and DEQ website. In addition, email

notification was provided to those persons signed up to receive notifications of board meetings through the Virginia Regulatory Town Hall website.

SUMMARY OF AMENDMENTS TO REGULATION

9VAC5-91-420 amends emissions inspection waiver requirements as it relates to vehicles which have (i) previously failed an emissions inspection and (ii) when presented for reinspection, have an onboard diagnostic system in a not-ready condition to be tested while other emissions inspection waiver requirements are met.

SUPPORTING DOCUMENTATION

Immediately following this agenda memo are:

1. The agency background document.

2. Chapter 1027 of the 2026 Acts of Assembly (Senate Bill 767).

3. Chapter 1045 of the 2026 Acts of Assembly (House Bill 312).

3. The draft final regulation amendment.

DEPARTMENT RECOMMENDATION

1. It is recommended that the Board adopt the attached proposal, with an effective date as provided in § 2.2-4015 A the Code of Virginia.

2. In adopting this proposal, the Board should affirm that it will receive, consider, and respond to petitions by any person at any time with respect to reconsideration or revision, as provided in § 2.2-4006 B of the Code of Virginia.

TEMPLATES\EXEMPT\ER09
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townhall.virginia.gov

Exempt Action: Final Regulation
Agency Background Document

Agency name	State Air Pollution Control Board
Virginia Administrative Code (VAC) Chapter citation(s)	9VAC5-91
VAC Chapter title(s)	Regulations for the Control of Motor Vehicle Emissions in the Northern Virginia Area
Action title	Implementation of Chapters 1027 and 1045 of the 2026 Acts of Assembly (SB 767 and HB 312) (Rev. MT)
Final agency action date	August 18, 2026
Date this document prepared	July 13, 2026

This information is required by the Virginia Registrar of Regulations pursuant to the Virginia Register Act (§ 2.2-4100 et seq. of the Code of Virginia). Regulations must conform to the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code.*

Brief Summary

Provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.

The Regulations for the Control of Motor Vehicle Emissions in the Northern Virginia Area are being amended in response to the passage of Senate Bill 767 and House Bill 312 (Chapters 1027 and 1045 of the 2026 Acts of Assembly), which amend emissions inspection waiver eligibility requirements in § 46.2-1181 of the Code of Virginia. The amended language allows vehicles that have failed an initial emissions inspection to qualify for an emissions inspection waiver if when presented for emissions reinspection the onboard diagnostic system is in a not-ready condition to be tested and other requirements for an emissions inspection waiver are met. To meet the statutory requirements provided in Senate Bill 767 and House Bill 312, 9VAC5-91-420 is being amended to reflect the amended emissions inspection waiver provisions set forth in § 46.2-1181 of the Code of Virginia.

Mandate and Impetus

Identify the mandate for this regulatory change and any other impetus that specifically prompted its initiation (e.g., new or modified mandate, internal staff review, petition for rulemaking, periodic review, or board decision). For purposes of executive branch review, "mandate" means "a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part."

Chapters 1027 and 1045 of the 2026 Acts of Assembly: An Act to amend and reenact § 46.2-1181 of the Code of Virginia; to amend the Code of Virginia by adding in Title 59.1 a chapter numbered 17.1:1, consisting of sections numbered 59.1-207.6:1 through 59.1-207.6:4; and to repeal § 59.1-207.5:1 of the Code of Virginia, relating to motor vehicles; emissions; glass repair and replacement.

Statement of Final Agency Action

Provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) that the agency has "adopted final amendments" to the regulation; 3) the name of the agency taking the action; and 4) the title of the regulation. A suggested statement is, "On [insert date] the Board/Department of [insert name] adopted final amendments to the [title of regulation(s)]."

On August 18, 2026, the State Air Pollution Control Board took final action to adopt an amendment to the Regulations for the Control of Motor Vehicle Emissions in the Northern Virginia Area (9VAC5-91). The regulatory action is to be effective as provided in the Administrative Process Act.

The regulatory amendment is exempt from the state administrative procedures for adoption of regulations contained in Article 2 of the Administrative Process Act by the provisions of § 2.2-4006 A 4 a of the Code of Virginia because it consists only of a change necessary to conform to Virginia statutory law where no agency discretion is involved.

In adopting the amendment, the Board affirmed that it will receive, consider and respond to petitions by any person at any time with respect to reconsideration or revision, as provided in § 2.2-4006 B of the Code of Virginia.

CHAPTER 1027

An Act to amend and reenact § 46.2-1181 of the Code of Virginia; to amend the Code of Virginia by adding in Title 59.1 a chapter numbered 17.1:1, consisting of sections numbered 59.1-207.6:1 through 59.1-207.6:4; and to repeal § 59.1-207.5:1 of the Code of Virginia, relating to motor vehicles; emissions; glass repair and replacement.

[S 767]

Approved April 22, 2026

Be it enacted by the General Assembly of Virginia:

1. That § 46.2-1181 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Title 59.1 a chapter numbered 17.1:1, consisting of sections numbered 59.1-207.6:1 through 59.1-207.6:4, as follows:

§ 46.2-1181. Emissions inspection; cost of repairs; waivers.

A. A motor vehicle shall qualify for an emissions inspection waiver in the event that such vehicle has failed an initial inspection and subsequently failed a reinspection *or the vehicle's onboard diagnostic system is in a not-ready condition to be tested when presented for reinspection* if the owner provides written proof that (i) at least the amount specified in this section has been spent by the owner on the maintenance and repair of the vehicle's engine and emission control system and related equipment and (ii) any emission control system or part thereof ~~which~~ *that* has been removed, damaged, or rendered inoperable by any act enumerated in § 46.2-1048 has been replaced and restored to operating condition.

B. The Director shall establish and revise, as necessary, specifications and procedures for motor vehicle maintenance and repair of pollution control devices and systems.

C. For the purposes of subsection A:

1. For motor vehicles subject to basic emissions inspections under subsection A of § 46.2-1178, cost limitations on repairs under the emissions inspection program, including parts and labor, but excluding costs of repairs covered by warranties, shall be $175 for pre-1980 model vehicles and $200 for 1980 and newer vehicles, using 2012, or a later date if allowed by federal regulations and approved by the Board, as the base year and annually adjusted by the Consumer Price Index. The Board may phase in waiver amounts.

2. For motor vehicles subject to emissions inspections under subsection C of § 46.2-1178, the cost limitations on repairs shall be a base amount of $450 per vehicle using 1990, or a later date if allowed by federal regulations and approved by the Board, as the base year and annually adjusted by the Consumer Price Index. The Board may phase in waiver amounts.

3. Repairs credited toward this waiver must be done by a repair technician certified in accordance with § 46.2-1180. Repairs shall include parts and labor.

D. For the purposes of subsection A ~~of this section~~, for motor vehicles subject to emissions inspections under subsection B of § 46.2-1178, the cost limitations on repairs under the emissions inspection program, including parts and labor but excluding costs of repairs covered by warranties, shall be:

1. $75 for pre-1981 vehicles; and

2. $200 for 1981 and newer vehicles.

CHAPTER 17.1:1.
MOTOR VEHICLE GLASS ACT.

§ 59.1-207.6:1. Title of chapter.

This chapter may be cited as the Motor Vehicle Glass Act.

§ 59.1-207.6:2. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Advanced driver assistance system" means any motor vehicle electronic safety system, as outlined in the most recent version of SAE International's SAE J3016 Levels of Driving Automation, that is designed to support the driver and motor vehicle in a manner intended to:

1. Increase motor vehicle safety; and

2. Reduce losses associated with motor vehicle crashes.

"Customer" means a person who provides consideration to a motor vehicle glass repair shop for the repair or replacement of damaged motor vehicle glass.

"Motor vehicle" means the same as that term is defined in § 59.1-207.2.

"Motor vehicle glass" means the glass and non-glass parts associated with the replacement of the glass used in the windshield, doors, or windows of a motor vehicle in the Commonwealth.

"Motor vehicle glass repair shop" means any person, including the person's employees and agents, that for consideration engages in the repair or replacement of damaged motor vehicle glass.

"Notice" means a direct written communication, including verifiable text, email, or APP-based

messaging, that is easily accessible by the consumer.

"Repair or replacement of damaged motor vehicle glass" includes (i) inspecting, repairing, restoring, or replacing damaged motor vehicle glass and (ii) calibrating or recalibrating an advanced driver assistance system when an incident requires the replacement of damaged motor vehicle glass.

§ 59.1-207.6:3. Advanced driver assistance systems.

A. Prior to providing service to a customer for a repair or replacement of damaged motor vehicle glass, a motor vehicle glass repair shop shall notify the customer of each of the following:

1. Whether the motor vehicle has an advanced driver assistance system; and

2. If the motor vehicle has an advanced driver assistance system:

a. Whether calibration or recalibration of the motor vehicle's advanced driver assistance system is needed after a windshield repair or replacement as recommended by the vehicle manufacturer;

b. Whether the motor vehicle glass repair shop intends to calibrate or recalibrate the advanced driver assistance system in a manner that meets the motor vehicle manufacturer's specifications; and

c. If the motor vehicle glass repair shop is not capable of performing or does not intend to perform such calibration or recalibration, that the motor vehicle should be taken to the vehicle manufacturer's certified dealership or a qualified specialist capable of performing the calibration or recalibration.

B. If calibration or recalibration of the motor vehicle's advanced driver assistance system is performed, the motor vehicle glass repair shop shall provide written notice to the customer:

1. Of whether the calibration or recalibration was successful; and

2. If the calibration or recalibration was not successful, that the motor vehicle should be taken to the vehicle manufacturer's certified dealership or a qualified specialist capable of performing the calibration or recalibration.

§ 59.1-207.6:4. Enforcement.

Any violation of the provisions of this chapter shall be subject to enforcement by the Attorney General under the authority and procedures applicable to violations of the Virginia Consumer Protection Act (§ 59.1-196 et seq.).

2. That § 59.1-207.5:1 of the Code of Virginia is repealed.

CHAPTER 1045

An Act to amend and reenact § 46.2-1181 of the Code of Virginia; to amend the Code of Virginia by adding in Title 59.1 a chapter numbered 17.1:1, consisting of sections numbered 59.1-207.6:1 through 59.1-207.6:4; and to repeal § 59.1-207.5:1 of the Code of Virginia, relating to motor vehicles; emissions; glass repair and replacement.

[H 312]

Approved April 22, 2026

Be it enacted by the General Assembly of Virginia:

1. That § 46.2-1181 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Title 59.1 a chapter numbered 17.1:1, consisting of sections numbered 59.1-207.6:1 through 59.1-207.6:4, as follows:

§ 46.2-1181. Emissions inspection; cost of repairs; waivers.

A. A motor vehicle shall qualify for an emissions inspection waiver in the event that such vehicle has failed an initial inspection and subsequently failed a reinspection *or the vehicle's onboard diagnostic system is in a not-ready condition to be tested when presented for reinspection* if the owner provides written proof that (i) at least the amount specified in this section has been spent by the owner on the maintenance and repair of the vehicle's engine and emission control system and related equipment and (ii) any emission control system or part thereof ~~which~~ *that* has been removed, damaged, or rendered inoperable by any act enumerated in § 46.2-1048 has been replaced and restored to operating condition.

B. The Director shall establish and revise, as necessary, specifications and procedures for motor vehicle maintenance and repair of pollution control devices and systems.

C. For the purposes of subsection A:

1. For motor vehicles subject to basic emissions inspections under subsection A of § 46.2-1178, cost limitations on repairs under the emissions inspection program, including parts and labor, but excluding costs of repairs covered by warranties, shall be $175 for pre-1980 model vehicles and $200 for 1980 and newer vehicles, using 2012, or a later date if allowed by federal regulations and approved by the Board, as the base year and annually adjusted by the Consumer Price Index. The Board may phase in waiver amounts.

2. For motor vehicles subject to emissions inspections under subsection C of § 46.2-1178, the cost limitations on repairs shall be a base amount of $450 per vehicle using 1990, or a later date if allowed by federal regulations and approved by the Board, as the base year and annually adjusted by the Consumer Price Index. The Board may phase in waiver amounts.

3. Repairs credited toward this waiver must be done by a repair technician certified in accordance with § 46.2-1180. Repairs shall include parts and labor.

D. For the purposes of subsection A ~~of this section~~, for motor vehicles subject to emissions inspections under subsection B of § 46.2-1178, the cost limitations on repairs under the emissions inspection program, including parts and labor but excluding costs of repairs covered by warranties, shall be:

1. $75 for pre-1981 vehicles; and

2. $200 for 1981 and newer vehicles.

CHAPTER 17.1:1.
MOTOR VEHICLE GLASS ACT.

§ 59.1-207.6:1. Title of chapter.

This chapter may be cited as the Motor Vehicle Glass Act.

§ 59.1-207.6:2. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Advanced driver assistance system" means any motor vehicle electronic safety system, as outlined in the most recent version of SAE International's SAE J3016 Levels of Driving Automation, that is designed to support the driver and motor vehicle in a manner intended to:

1. Increase motor vehicle safety; and

2. Reduce losses associated with motor vehicle crashes.

"Customer" means a person who provides consideration to a motor vehicle glass repair shop for the repair or replacement of damaged motor vehicle glass.

"Motor vehicle" means the same as that term is defined in § 59.1-207.2.

"Motor vehicle glass" means the glass and non-glass parts associated with the replacement of the glass used in the windshield, doors, or windows of a motor vehicle in the Commonwealth.

"Motor vehicle glass repair shop" means any person, including the person's employees and agents, that for consideration engages in the repair or replacement of damaged motor vehicle glass.

"Notice" means a direct written communication, including verifiable text, email, or APP-based

messaging, that is easily accessible by the consumer.

"Repair or replacement of damaged motor vehicle glass" includes (i) inspecting, repairing, restoring, or replacing damaged motor vehicle glass and (ii) calibrating or recalibrating an advanced driver assistance system when an incident requires the replacement of damaged motor vehicle glass.

§ 59.1-207.6:3. Advanced driver assistance systems.

A. Prior to providing service to a customer for a repair or replacement of damaged motor vehicle glass, a motor vehicle glass repair shop shall notify the customer of each of the following:

1. Whether the motor vehicle has an advanced driver assistance system; and

2. If the motor vehicle has an advanced driver assistance system:

a. Whether calibration or recalibration of the motor vehicle's advanced driver assistance system is needed after a windshield repair or replacement as recommended by the vehicle manufacturer;

b. Whether the motor vehicle glass repair shop intends to calibrate or recalibrate the advanced driver assistance system in a manner that meets the motor vehicle manufacturer's specifications; and

c. If the motor vehicle glass repair shop is not capable of performing or does not intend to perform such calibration or recalibration, that the motor vehicle should be taken to the vehicle manufacturer's certified dealership or a qualified specialist capable of performing the calibration or recalibration.

B. If calibration or recalibration of the motor vehicle's advanced driver assistance system is performed, the motor vehicle glass repair shop shall provide written notice to the customer:

1. Of whether the calibration or recalibration was successful; and

2. If the calibration or recalibration was not successful, that the motor vehicle should be taken to the vehicle manufacturer's certified dealership or a qualified specialist capable of performing the calibration or recalibration.

§ 59.1-207.6:4. Enforcement.

Any violation of the provisions of this chapter shall be subject to enforcement by the Attorney General under the authority and procedures applicable to violations of the Virginia Consumer Protection Act (§ 59.1-196 et seq.).

2. That § 59.1-207.5:1 of the Code of Virginia is repealed.

9VAC5 CHAPTER 91
REGULATIONS FOR THE CONTROL OF MOTOR VEHICLE EMISSIONS IN THE NORTHERN VIRGINIA AREA.

Part VI.
Inspection Procedures

9VAC5-91-420. Inspection procedure; rejection, pass, fail, waiver.

A. All aspects of the inspection shall be performed by an emissions inspector, using the instructions programmed in the certified analyzer system and procedures approved by the department, within the designated inspection area, and on the permitted premises.

B. The emissions inspection station shall notify the customer prior to initiating an emissions inspection that the emissions inspection station is either able or unable to perform the emissions-related repairs required by 9VAC5-91-480 for that particular vehicle should that vehicle fail the inspection. The emissions inspector shall not conduct an inspection on a motor vehicle unless the customer gives approval after being so notified.

C. The emissions inspector shall not conduct an inspection on a motor vehicle if the vehicle is in an unsafe condition for testing according to the following conditions. The customer shall be informed of any such condition.

1. The vehicle shall not have holes or detectable leaks in the exhaust system. The inspector may check the system for leaks by listening or visually inspecting for such leaks or by measuring carbon dioxide. The presence of leaks shall cause the vehicle to be rejected from testing.

2. The motor vehicle shall be evaluated for the presence of visible smoke emissions. Those vehicles exhibiting any visible smoke emissions from the engine crankcase or exhaust system or both, shall be rejected from testing.

3. The vehicle shall not have any mechanical problems, such as engine, brake, or transmission problems or engine, radiator, or transmission fluid leaks that would create a safety hazard for the applicable test, or bias test results. Such conditions shall cause the vehicle to be rejected from testing.

4. For vehicles receiving a test while operating on a dynamometer, the vehicle shall be rejected from testing if drive wheel tire tread wear indicators, tire cords, bubbles, cuts, or other damage are visible. Such vehicles shall be rejected from testing

if space-saver spare tires are being used on a drive axle or if they do not have reasonably sized tires on the drive axle or axles based on dynamometer manufacturer safety criteria or if the set of tires is a mixture of radial and bias ply. Vehicles may be rejected if they have different sized tires on the drive axle or axles. Drive wheel tires shall be checked for appropriate tire pressure and adjusted as necessary as recommended by the tire or vehicle manufacturer.

5. The vehicle shall be rejected from testing if the fuel filler cap (gas cap) is missing.

6. The vehicle shall be rejected from testing if a known, emissions-related, manufacturers recall has not been satisfied according to Part XI (9VAC5-91-720 et seq.).

7. Vehicles that are overheated shall be rejected from testing. Vehicles that indicate that an overheated condition will be achieved during testing may be rejected from testing at the discretion of the inspector.

8. OBD vehicles shall be rejected from testing for any of the following:

a. The OBD data link cannot be accessed physically or electronically.

b. The testing equipment indicates that the OBD system is in a "not ready" status. A "not ready" status shall be indicated by the following:

(1) For model year 1996 through 2000, three or more monitors indicate "not ready."

(2) For model year 2001 and newer, two or more monitors indicate "not ready."

(3) For vehicles that failed the emissions inspection for a catalytic converter related fault code, and the catalyst monitor indicates "not ready" during a reinspection.

c. The catalyst monitor or oxygen sensor monitor, or both, are not supported, except for models exempt by the director.

d. The OBD system is unable to communicate successfully with the analyzer system.

e. The OBD system indicates evidence of tampering.

f. The director may adjust the number of "not ready" monitors required for rejection from testing for specific vehicle models based upon information from this program or other state programs, vehicle manufacturers, or the EPA.

D. The emissions inspection procedure shall be performed under the following conditions:

1. For vehicles subject to exhaust emissions testing, the entire vehicle shall be in normal operating condition as indicated by a temperature gauge or touch test on the radiator hose. If ASM testing is performed, a cooling fan shall be directed at the engine cooling system if the ambient temperature exceeds 72°F.

2. The inspection shall be performed with the transmission in park or neutral for OBD testing or for two-speed idle testing, or in drive (if automatic), or the appropriate gear to achieve necessary RPM range (if manual) for ASM testing; and with all accessories off.

3. All electronic and mechanical testing equipment shall be properly attached according to vehicle and analyzer system manufacturer requirements and instructions.

4. For vehicles subject to exhaust emissions testing, the analyzer probe shall be properly inserted into the exhaust system.

a. The analyzer probe shall be inserted into the tailpipe as recommended by the gas analyzer manufacturer for a quality sample, or at least 10 inches if not specified by the manufacturer.

b. If a baffle or screen prevents probe insertion to an adequate depth, a suitable probe adapter or extension boot which effectively lengthens the tail pipe must be used.

c. If the vehicle is equipped with multiple unique exhaust outlets, a suitable analyzer system manufacturer recommended adapter or other apparatus shall be used in order to provide a single supply of the sample exhaust to the gas analyzer.

d. Vehicle exhaust shall be vented safely out of the inspection area and facility.

5. If the vehicle stops running or the engine stalls during the test it shall be started as soon as possible and, for vehicles subject to exhaust emissions testing, shall be running for at least 30 seconds prior to the restart of the test.

6. For vehicles subject to exhaust emissions testing, the exhaust test shall be terminated upon reaching the overall maximum test time for the applicable test, or if CO plus CO_2 concentration falls below 6.0% as determined by the analyzer system.

7. Each emissions inspection, whether initial or retest, shall be conducted in its entirety with the exception of (i) conditions which require that the vehicle be rejected from testing in accordance with subsection C of this section, (ii) invalid test conditions, or (iii) conditions beyond the emissions inspector's control that cause the test to be aborted.

E. In consideration of maintaining inspection integrity:

1. The temperature of the inspection area shall be between 41°F and 110°F during the inspection. Inspection area temperatures shall be accurately measured in a well-ventilated location away from vehicle engine and exhaust heat sources and out of direct sunlight. The analyzer system shall not be operated when the temperature of the inspection area is not within the range stated above.

2. The analyzer system shall be kept in a stable environment which affords adequate protection from the weather and local sources of hydrocarbons or other pollutants that may interfere with gas analyzer performance or accuracy of test results, or both.

3. The electrical supply to the analyzer system shall be able to meet the manufacturer's requirements for voltage and frequency stability.

4. The inspection location shall meet all applicable zoning requirements.

5. The analyzer system shall be operated according to quality assurance procedures and other procedures approved by the department.

F. The emissions inspector shall accurately identify and enter vehicle information, visual component and visible smoke inspection results as applicable for vehicle emissions inspection records. The data entered into the certified analyzer system and recorded on the certificate of vehicle emissions inspection shall be the data from the vehicle being inspected and must be obtained from that vehicle.

G. The emissions inspector shall perform an inspection of the emissions control systems. The inspection shall include the following:

1. An examination of the emissions control information decal (sticker) under the hood, reference manual, and applications guide to determine if the vehicle, as

manufactured or certified for sale or use within the United States, should be equipped with a catalytic converter system, air injection system, fuel evaporative emissions control system, positive crankcase ventilation system, exhaust gas recirculation valve, on-board diagnostic system, or thermostatic air cleaner system, as appropriate.

2. Based on the determinations made in subdivision 1 of this subsection, a visual inspection for the presence and operability of the catalytic converter system and, for vehicles subject to exhaust emissions testing, the air injection system, fuel evaporative emissions control system, positive crankcase ventilation system, exhaust gas recirculation system and thermostatic air cleaner system. If any of these parts or systems are inoperable, or have been removed or damaged, or rendered inoperable, the vehicle will not qualify for an emissions inspection approval or waiver. If systems are missing which the reference manual or applications guide indicates should be present, the motor vehicle manufacturer's emissions control information provided for that vehicle shall apply. The inspector shall enter the result of the visual inspection, "pass," "fail," or "not applicable" as appropriate into the certified analyzer system. The department may issue a temporary waiver because of the unavailability of component parts listed in subdivision 2 of this subsection if it is determined that the subject components or parts are not available provided the following conditions have been met:

a. The owner of the vehicle obtains a signed statement from the manufacturer's dealer or automotive parts source that supplies parts for the vehicle model indicating the nonavailability of such parts.

b. The statement submitted must be on letterhead or other official form or document and signed by an officer, owner or other responsible official of the automotive parts source.

c. The statement must identify the parts by description and part number and must indicate whether the parts are not currently stocked, have been superseded by other parts, or are out of production.

d. The department may conduct an independent investigation to locate any such parts or to verify the information on the statement prior to the issuance of any vehicle inspection report. The vehicle shall be held to all applicable inspection parameters, test type and standards or other conditions with the exception of the emissions control components and parts that have been verified as unavailable.

e. Any additional requirements to repair the vehicle to meet the applicable emissions standards or to qualify for an emissions inspection waiver under subsection M of this section shall apply.

f. If the department is able to determine that (i) the unavailable part, or parts, is the only method of controlling the emissions for which the vehicle has failed an emissions inspection or (ii) no other repairs will be effective in reducing such emissions, the department may issue a temporary waiver notwithstanding the provisions of subsection M of this section.

3. For OBD vehicles, an electronic inspection of the applicable on-board diagnostic (OBD) system according to manufacturer specifications and procedures approved by the EPA. The exhaust emissions test may also be performed on a limited basis as specified by the department for quality control or program evaluation purposes.

a. Emissions-related failure codes that cause the malfunction indicator lamp to be commanded "on" provided by OBD systems of OBD vehicles shall cause the vehicle to fail the emissions inspection. If testing equipment or visual inspection indicates that the malfunction indicator lamp is inoperable, the vehicle shall fail the emissions inspection. If the testing equipment indicates that the OBD system is in a "not ready" status, the vehicle shall be rejected from testing according to subdivision C 8 of this section.

b. Emissions-related failure codes that cause the malfunction indicator lamp to be commanded "on" as provided by OBD systems of light duty diesel powered vehicles of model years 1997 and newer shall cause the vehicle to fail the inspection. In addition, if the testing equipment or visual examination indicates that the malfunction indicator lamp is inoperable, the vehicle shall fail the emissions inspection. If the testing equipment indicates that the OBD system is in a "not ready" status, the vehicle shall be rejected from testing according to subdivision C 8 of this section. The director may increase or decrease the number of "not ready" monitors allowed based on an analysis of the program data, data from other state's programs and the EPA.

c. The department may exempt vehicle models or some classes of vehicles from OBD testing due to known OBD system problems or anomalies associated with such vehicles. If exempted from OBD testing, such vehicles shall receive the ASM or TSI test as applicable.

H. For vehicles otherwise subject to ASM testing based on model year and weight classification, the department may determine, due to complications identified in this or other state programs, or consultation with vehicle manufacturers, that certain vehicle makes or models shall be tested using the two-speed idle test in lieu of the ASM test or using a mixture of test modes such as an ASM 2525 coupled with an idle test.

I. For 1981 model year and newer vehicles with a GVWR up to and including 8,500 pounds, the exhaust emissions inspection procedure, if applicable, shall be an ASM, two-mode (ASM 5015 plus ASM 2525), loaded test, performed while the vehicle is operating on a dynamometer. The test shall be preceded by a 30-90 second preconditioning period, as determined by the department, using the ASM 2525 load simulation.

J. The exhaust emissions inspection procedure, if applicable, shall be a two-speed idle test as specified in section (II) of Appendix B of 40 CFR Part 51, Subpart S, and 9VAC5-91-440 for the following affected motor vehicles:

1. Vehicles with a GVWR greater than 8,500 pounds and up to and including 10,000 pounds;

2. Vehicles of model years 1980 and older;

3. Vehicles which employ full-time four wheel drive systems;

4. Vehicles which have traction control or anti-lock brake systems which have been determined by the manufacturer or the department to interfere with proper ASM testing; or

5. Vehicles which have some other configuration which has been determined by the department to interfere with proper ASM testing.

K. In order to obtain a vehicle registration from the Department of Motor Vehicles, a certificate of emissions inspection shall be issued by an emissions inspector or the department indicating that the vehicle has either passed the emissions inspection or has received a waiver as specified in subsections L and M of this section. A motor vehicle shall pass the emissions inspection and a certificate of vehicle emissions inspection and a motor vehicle inspection report indicating the vehicle has passed shall be issued if the following conditions are met:

1. The motor vehicle meets the applicable emissions control systems inspection requirements.

2. For vehicles subject to exhaust emissions testing, the vehicle emissions levels are the same as or less than the applicable exhaust emission standards in Part III (9VAC5-91-160 et seq.) and Part XIV (9VAC5-91-790 et seq.), as applicable; or for vehicles subject to OBD, the vehicle passes the OBD test and exhaust emissions test, if applicable.

3. There are no visible smoke emissions from the vehicle engine crankcase or tail pipe, or both.

L. If the vehicle fails the initial emissions inspection, a certificate of emissions inspection and a motor vehicle inspection report shall be issued indicating a failure, and the owner shall have 14 days in which to have repairs or adjustments made and return the vehicle to the emissions inspection station which performed the initial inspection for one free reinspection.

M. A certificate of vehicle emissions inspection waiver may be issued if all of the following conditions are met:

1. The vehicle passes the emissions control systems inspection described by subsection G of this section if applicable.

2. There are no visible smoke emissions from the vehicle engine crankcase or exhaust system, or both.

3. The vehicle continues to exceed applicable emissions standards, or the vehicle's onboard diagnostic system is in a not-ready condition to be tested when presented for reinspection, after emissions related repairs required by 9VAC5-91-480 have been performed.

4. An amount equal to or greater than the adjusted waiver cost for enhanced emissions inspection programs specified in subsection N of this section has been spent on emissions related repairs as specified in 9VAC5-91-480 provided that:

a. Proof that emissions related repairs have been accomplished and costs for that specific vehicle have been provided to the emissions inspection station in the form of an itemized bill, invoice, paid work order, or statement in which emissions related parts or repairs, or both, are specifically identified, and to the extent practical, the inspector can confirm the repairs by visual examination;

b. The emissions inspector has been provided with a properly completed emissions repair data form indicating that the repair work was performed at a certified emissions repair facility and that the repairs were performed by or under the supervision or approval of a certified emissions repair technician at a certified emissions repair facility; and

c. The repair work was performed no earlier than 60 days prior to the initial inspection.

N. The repair cost requirements for waiver eligibility for the enhanced emissions inspection program shall be $450 adjusted to reflect the increase in the Consumer Price Index (CPI) and adjusted annually thereafter, as described at 40 CFR 51.360(a)(7) and § 46.2-1181 C of the Code of Virginia.

O. A waiver shall not be issued for a vehicle which is eligible for the emissions control systems performance warranty, under the provisions of § 207(b) of the federal Clean Air Act. In accordance with the provisions of § 207(b) of the federal Clean Air Act, the repair costs necessary for compliance with emissions standards specified in Part III (9VAC5-91-160 et seq.) and Part XIV (9VAC5-91-790 et seq.) will be borne by the vehicle manufacturer or authorized dealer representative.

P. The analyzer system shall generate an electronic record of the certificate of emissions inspection and transmit the appropriate data to the department and the emissions inspector shall make distribution of the vehicle inspection report to the customer.

Q. The customer shall be advised as specified below upon completion or termination of the inspection procedure.

1. If the test is terminated prior to completion, explain the problem with the vehicle or equipment and, if applicable, advise of free retest and time limit.

2. If the vehicle passes or receives a waiver, provide a motor vehicle inspection report and advise motorist of registration requirement and process, including the process to be used in case of interruption of the electronic data transfer system.

3. If the vehicle fails:

a. Give vehicle inspection report of failure to customer;

b. Advise of type of failure;

c. Advise of free retest and time limit;

d. Advise of repair facility information as provided by the department; and

e. Advise of waiver requirements, if applicable.

R. In cases of complaints or disputes between the emissions inspector or emissions inspection station and the customer, the customer shall be advised of the

location and phone number of a department representative to be contacted to obtain assistance in resolving disputes.

COMMONWEALTH OF VIRGINIA
STATE AIR POLLUTION CONTROL BOARD MEETING

August 2026

SUBJECT: Final Exempt Regulations – Implementation of Chapter 397 of the 2026 Acts of Assembly (HB 507), New and Modified Stationary Sources (9VAC5-50), (Rev. B26)

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INTRODUCTION

Chapter 397 of the 2026 Acts of Assembly (House Bill 507) requires the State Air Pollution Control Board to amend 9VAC5-50, New and Modified Stationary Sources, by setting emission limits for certain engine-generator sets at data center facilities which submit a permit application on or after July 1, 2026.

The department is requesting approval of draft final regulation amendments that meet state statutory and regulatory requirements. Approval of the amendments will ensure that the Commonwealth will be able to meet its obligations under state law.

REGULATORY ACTION ADOPTION PROCESS

The regulation amendment is exempt from the state administrative procedures for adoption of regulations contained in Article 2 of the Administrative Process Act pursuant to the provisions of § 2.2-4006 A 4 a of the Code of Virginia because it is necessary to conform to changes in Virginia statutory law where no agency discretion is involved. However, such regulations shall be filed with the Registrar within 90 days of the law's effective date. Further, in adopting the regulation amendments under the provisions of § 2.2-4006 B of the Code of Virginia, the Board is required to state that it will receive, consider, and respond to petitions by any interested person at any time with respect to reconsideration or revision.

Notice that the regulations would be considered by the Board and that public comment would be accepted at the Board meeting in accordance with the Board's policy on public comment at Board meetings was provided to the public by posting of the Board's agenda to the Virginia Regulatory Town Hall and DEQ website. In addition, email notification was provided to those persons signed up to receive notifications of board meetings through the Virginia Regulatory Town Hall website.

SUMMARY OF AMENDMENTS TO REGULATION

Article 7 of Part II of 9VAC5-50 is being added to include 9VAC5-50-610 as it relates to emission limits for certain engine-generator sets at data center facilities which submit a permit application on or after July 1, 2026.

SUPPORTING DOCUMENTATION

Immediately following this agenda memo are:

1. The agency background document.

2. Chapter 397 of the 2026 Acts of Assembly (House Bill 507).

3. The draft proposed final regulation.

DEPARTMENT RECOMMENDATION

1. It is recommended that the Board adopt the attached proposal, with an effective date as provided in § 2.2-4015 A of the Code of Virginia.

2. In adopting this proposal, the Board should affirm that it will receive, consider, and respond to petitions by any person at any time with respect to reconsideration or revision, as provided in § 2.2-4006 B of the Code of Virginia.

REG\DEV\B26-07BF

townhall.virginia.gov

Exempt Action: Final Regulation
Agency Background Document

Agency name	State Air Pollution Control Board
Virginia Administrative Code (VAC) Chapter citation(s)	9VAC5-50 (New and Modified Stationary Sources)
VAC Chapter title(s)	New and Modified Stationary Sources
Action title	Implementation of Chapter 397 of the 2026 Acts of Assembly (HB 507) (Rev. B26)
Final agency action date	August 18, 2026
Date this document prepared	July 13, 2026

This information is required by the Virginia Registrar of Regulations pursuant to the Virginia Register Act (§ 2.2-4100 et seq. of the Code of Virginia). Regulations must conform to the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code.*

Brief Summary

Provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.

House Bill 507 (HB 507), enacted as Chapter 397 of the 2026 Acts of Assembly, was approved on April 8, 2026. HB 507 amends Article 1 of Chapter 13 of Title 10.1 of the Code of Virginia by adding a new section codified at § 10.1-1322.6. This new section sets emission limits for certain engine-generator sets at data center facilities which submit a permit application on or after July 1, 2026. Accordingly, a new article is being added in Chapter 50 for New and Modified Stationary Sources to reflect these standards and meet the statutory requirements of HB 507.

Mandate and Impetus

Identify the mandate for this regulatory change and any other impetus that specifically prompted its initiation (e.g., new or modified mandate, internal staff review, petition for rulemaking, periodic review, or board decision). For purposes of executive branch review, "mandate" means "a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part."

Chapter 397 of the 2026 Acts of Assembly: An Act to amend the Code of Virginia by adding in Article 1 of Chapter 13 of Title 10.1 a section numbered 10.1-1322.6 relating to permit requirements for data centers; emission limits for certain engine-generator sets.

Statement of Final Agency Action

Provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) that the agency has "adopted final amendments" to the regulation; 3) the name of the agency taking the action; and 4) the title of the regulation. A suggested statement is, "On [insert date] the Board/Department of [insert name] adopted final amendments to the [title of regulation(s)]."

On August 18, 2026, the State Air Pollution Control Board took final action to adopt amendments to the New and Modified Stationary Sources regulations specifically adding Emission Standards for Data Center Engine Generator-Sets (Article 7 of Part II of 9VAC5-50). The regulatory action is to be effective as provided in the Administrative Process Act.

The regulation amendment is exempt from the state administrative procedures for adoption of regulations contained in Article 2 of the Administrative Process Act by the provisions of § 2.2-4006 A 4 a of the Code of Virginia because it consists only of changes necessary to conform to Virginia statutory law where no agency discretion is involved.

In adopting the amendment, the Board affirmed that it will receive, consider and respond to petitions by any person at any time with respect to reconsideration or revision, as provided in § 2.2-4006 B of the Code of Virginia.

CHAPTER 397

An Act to amend the Code of Virginia by adding in Article 1 of Chapter 13 of Title 10.1 a section numbered 10.1-1322.6, relating to permit requirements for data centers; emission limits for certain engine-generator sets.

[H 507]

Approved April 8, 2026

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 1 of Chapter 13 of Title 10.1 a section numbered 10.1-1322.6 as follows:

§ 10.1-1322.6. Permits for data centers; emission limits for certain engine-generator sets.

A. As used in this section:

"Data center" means the same as that term is defined in subdivision A 43 of § 58.1-3506.

"Diesel oxidation catalyst" means a flow-through exhaust device that contains a honeycomb structure covered with a layer of chemical catalyst containing small amounts of precious metal such as platinum or palladium that interact with and oxidize pollutants, including carbon monoxide and unburned hydrocarbons, in the exhaust stream, thereby reducing carbon monoxide emissions.

"Diesel particulate filter" means an emission control technology that reduces particulate matter emissions by trapping the particles in a flow filter substrate and periodically removes the collected particles by either physical action or by oxidizing or burning off the particles in a process called regeneration.

"Engine-generator set" or "gen-set" means the combination of an electrical generator and an engine mounted together to form a single piece of equipment.

"Selective catalytic reduction" means a control device that reduces the exhaust gas concentration of nitrogen oxides by injecting an ammonia solution or urea into the exhaust gas stream, which in the presence of a catalyst, reacts with the nitrogen oxides to form nitrogen gas and water vapor.

"Tier 4 equivalent" means a gen-set with a selective catalytic reduction system or equivalent for nitrogen oxides control, a diesel oxidation catalyst system or equivalent for carbon monoxide control, and a diesel particulate filter or equivalent for particulate matter control.

B. For any application submitted for a data center on or after July 1, 2026, for a permit issued by the Department pursuant to this chapter, including coverage under any general permit, the Department shall not issue such permit unless the emission limit for each gen-set established by such permit is equal to or less than the emissions achieved by a Tier 4 equivalent gen-set.

C. Nothing in this section shall be construed to prevent the Department from (i) determining the Best Available Control Technology, Lowest Achievable Emission Rate, Reasonably Available Control Technology, any New Source Performance Standard, or any National Emission Standards for Hazardous Air Pollutants or (ii) establishing in a permit issued by the Department pursuant to this chapter more stringent emission limits than those achieved by a Tier 4 equivalent gen-set.

9VAC5 CHAPTER 50.
NEW AND MODIFIED STATIONARY SOURCES.

PART II.
Emission Standards.

ARTICLE 7.
Emission Standards for Data Center Engine Generator-Sets

(Rule 5-7)

9VAC5-50-610. Applicability and designation of affected facility.

A. The affected facility to which the provisions of this article apply is each data center which applies for a permit on or after July 1, 2026.

B. The provisions of this article apply throughout the Commonwealth of Virginia.

9VAC5-50-620. Definitions.

A. For the purpose of applying this article in the context of the Regulations for the Control and Abatement of Air Pollution and related uses, the words or terms shall have the meanings given them in subsection C of this section.

B. Unless otherwise required by context, all terms not defined herein shall have the meanings given them in 9VAC5-80 (Permits for Stationary Sources), 9VAC5-10 (General Definitions), or commonly ascribed to them by recognized authorities, in that order of priority.

C. Terms defined.

"Data center" means the same as that term is defined in subdivision A 43 of § 58.1-3506.

"Diesel oxidation catalyst" means a flow-through exhaust device that contains a honeycomb structure covered with a layer of chemical catalyst containing small amounts of precious metal such as platinum or palladium that interact with and oxidize pollutants, including carbon monoxide and unburned hydrocarbons, in the exhaust stream, thereby reducing carbon monoxide emissions.

"Diesel particulate filter" means an emission control technology that reduces particulate matter emissions by trapping the particles in a flow filter substrate and periodically removes the collected particles by either physical action or by oxidizing or burning off the particles in a process called regeneration.

"Engine-generator set" or "gen-set" means the combination of an electrical generator and an engine mounted together to form a single piece of equipment.

"Selective catalytic reduction" means a control device that reduces the exhaust gas concentration of nitrogen oxides by injecting an ammonia solution or urea into the exhaust gas stream, which in the presence of a catalyst, reacts with the nitrogen oxides to form nitrogen gas and water vapor.

"Tier 4 equivalent" means a gen-set with a selective catalytic reduction system or equivalent for nitrogen oxides control, a diesel oxidation catalyst system or equivalent for carbon monoxide control, and a diesel particulate filter or equivalent for particulate matter control.

9VAC5-50-630. Standard for engine-generator set emissions.

A. For a data center permit issued by the Department, including coverage under any general permit, the Department shall not issue such permit unless the emission limit for each gen-set established by such permit is equal to or less than the emissions achieved by a Tier 4 equivalent gen-set.

B. Nothing in this section shall be construed to prevent the Department from (i) determining the Best Available Control Technology, Lowest Achievable Emission Rate, Reasonably Available Control Technology, any New Source Performance Standard, or any National Emission Standards for Hazardous Air Pollutants or (ii) establishing in a permit issued by the Department pursuant to this chapter more stringent emission limits than those achieved by a Tier 4 equivalent gen-set.

COMMONWEALTH OF VIRGINIA
STATE AIR POLLUTION CONTROL BOARD MEETING

August 2026

SUBJECT: Final Exempt Regulations – Implementation of the 2015 Ozone National Ambient Air Quality Standard (NAAQS) in Case-by-Case RACT Determinations, Regulations for Existing Stationary Sources (9VAC5-40), (Rev. C26)

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Policy Analyst, Office of Air Data Analysis and Planning
Department of Environmental Quality

INTRODUCTION

This action adds new requirements for the case-by-case determination of reasonably available control technology (RACT) needed in order to meet the U.S. Environmental Protection Agency (EPA) 0.070 parts per million (ppm) National Ambient Air Quality Standard (NAAQS) for ozone.

The Northern Virginia Ozone Moderate Nonattainment Area and Stafford County, which correspond to the Northern Virginia Volatile Organic Compound (VOC) and Nitrogen Oxides (NO_X) Emissions Control Areas, and which are part of the ozone transport region (OTR), must meet the RACT requirements of 40 CFR 51.1316 established by EPA on December 6, 2018 (83 FR 62998). This section of the EPA rule specifies dates by when RACT must be implemented in the OTR. The state regulations must be consistent with the federal regulations in order for the state to implement RACT.

The department is requesting approval of draft final regulation amendments that meet federal statutory and regulatory requirements. Approval of the amendments will ensure that the Commonwealth will be able to meet its obligations under the Clean Air Act.

REGULATORY ACTION ADOPTION PROCESS

Because the state regulatory amendments are necessary to meet the requirements of the federal Clean Air Act and do not differ materially from the pertinent U.S. Environmental Protection Agency (EPA) regulations, the revision is exempt from the state administrative procedures for adoption and regulations pursuant to the provisions of § 2.2-4006 A 4 c of the Code of Virginia. However, the Registrar of Regulations must agree that the regulations are not materially different from the federal version and are, therefore, exempt from the Administrative Process Act and must notify the agency accordingly. Notice of the proposed adoption of these regulations and the Registrar's determination shall be published in the Virginia Register not less than 30 days prior to the effective date of the regulation.

Further, in adopting the regulation amendments under the provisions of § 2.2-4006 B of the Code of Virginia, the Board is required to state that it will receive, consider, and respond to petitions by any interested person at any time with respect to reconsideration or revision.

Notice that the regulation would be considered by the Board and that public comment would be accepted at the board meeting in accordance with the Board's policy on public comment at board meetings was provided to the public by posting of the Board's agenda to the Virginia Regulatory Town Hall and DEQ website. In addition, email notification was provided to those persons signed up to receive notifications of Board meetings through the Virginia Regulatory Town Hall website.

SUMMARY OF AMENDMENTS TO REGULATION

Within Article 51 of Part II of 9VAC5-40, the following amendments are being made:

1. Table 4-51B of 9VAC5-40-7400 includes new notification and compliance dates for facilities that are located in VOC Emissions Control Areas subject to the 2015 0.70 ppm ozone standard.

2. Table 4-51E of 9VAC5-40-7420 includes new notification and compliance dates for facilities for which there is no presumptive RACT that are located in NO_X emissions control areas subject to the 2015 0.70 ppm ozone standard.

3. Table 4-51F of 9VAC5-40-7420 includes new notification, demonstration, and compliance dates for facilities for which presumptive RACT is defined that are located in NO_X emissions control areas subject to the 2015 0.70 ppm ozone standard.

SUPPORTING DOCUMENTATION

Immediately following this agenda memo are:

1. The agency background document.

2. The draft proposed final regulation.

DEPARTMENT RECOMMENDATION

1. It is recommended that the Board adopt the attached proposal, with an effective date as provided in § 2.2-4015 A of the Code of Virginia.

2. In adopting this proposal, the Board should affirm that it will receive, consider, and respond to petitions by any person at any time with respect to reconsideration or revision, as provided in § 2.2-4006 B of the Code of Virginia.

townhall.virginia.gov

Exempt Action: Final Regulation
Agency Background Document

Agency name	State Air Pollution Control Board
Virginia Administrative Code (VAC) Chapter citation(s)	9VAC5-40
VAC Chapter title(s)	Existing Stationary Sources
Action title	Implementation of the 2015 Ozone National Ambient Air Quality Standard (NAAQS) in Case-by-Case RACT Determinations (Rev. C26)
Final agency action date	August 18, 2026
Date this document prepared	July 13, 2026

This information is required by the Virginia Registrar of Regulations pursuant to the Virginia Register Act (§ 2.2-4100 et seq. of the Code of Virginia). Regulations must conform to the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code.*

Brief Summary

Provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.

This action codifies requirements for reasonably available control technology (RACT) determinations mandated by the Clean Air Act in the Ozone Transport Region (OTR) when new ozone national ambient air quality standards (NAAQS) are promulgated. On October 26, 2015 (80 FR 65292), the U.S. Environmental Protection Agency (EPA) strengthened the primary and secondary O_3 NAAQS to 0.070 ppm in comparison to the previous 2008 standard of 0.075 ppm by adding § 50.19 and Appendix U to 40 CFR Part 50. The Northern Virginia Ozone Moderate Nonattainment Area and Stafford County, which correspond to the Northern Virginia Volatile Organic Compound (VOC) and Nitrogen Oxides (NO_X) Emissions Control Areas, and which are part of the OTR, must meet the RACT requirements of 40 CFR 51.1316 established by EPA on December 6, 2018 (83 FR 62998). This section of the EPA rule specifies dates by when RACT must be implemented in the OTR. The state regulations must be consistent with the federal regulations in order for the state to implement RACT.

Mandate and Impetus

Identify the mandate for this regulatory change and any other impetus that specifically prompted its initiation (e.g., new or modified mandate, internal staff review, petition for rulemaking, periodic review, or board decision). For purposes of executive branch review, "mandate" means "a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part."

The mandate for this regulatory action is a directive from the federal government: the implementation of the 2015 O_3 NAAQS has been codified in 40 CFR Part 51 as provided by § 109; 110; 171; 172; 176A; and 181 through 185B of the federal Clean Air Act.

Statement of Final Agency Action

Provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) that the agency has "adopted final amendments" to the regulation; 3) the name of the agency taking the action; and 4) the title of the regulation. A suggested statement is, "On [insert date] the Board/Department of [insert name] adopted final amendments to the [title of regulation(s)]."

On August 18, 2026, the State Air Pollution Control Board took final action to adopt amendments to the Regulations for the Control and Abatement of Air Pollution, specifically, Emission Standards for Stationary Sources Subject to Case-by-Case RACT Determinations (9VAC5-40, Article 51). The regulatory action is to be effective as provided in the Administrative Process Act.

The regulation amendments are exempt from the state administrative procedures for adoption of regulations contained in Article 2 of the Administrative Process Act by the provisions of § 2.2-4006 A 4 c of the Code of Virginia because they are necessary to meet the requirements of the federal Clean Air Act and do not differ materially from the pertinent EPA regulations.

In adopting these amendments, the board affirmed that it will receive, consider and respond to petitions by any person at any time with respect to reconsideration or revision, as provided in § 2.2-4006 B of the Code of Virginia.

TEMPLATES\EXEMPT\TH09
REG\DEV\C26-09TF

9VAC5 CHAPTER 40.
EXISTING STATIONARY SOURCES.

PART II.
Emission Standards.

ARTICLE 51.
Emission Standards for Stationary Sources Subject to Case-by-Case RACT Determinations (Rule 4-51).

9VAC5-40-7400. Standard for volatile organic compounds (8-hour ozone standard).

A. No owner or other person shall cause or permit to be discharged from any affected facility any volatile organic compounds (VOCs) emissions in excess of that resultant from using RACT.

B. The provisions of this section apply to all facilities that (i) are within a stationary source in the emissions control areas specified in Table 4-51B and (ii) are within a stationary source that has a theoretical potential to emit at the applicable source thresholds specified Table 4-51B.

TABLE 4-51B.
NOTIFICATION AND COMPLIANCE DATES FOR FACILITIES LOCATED IN VOC EMISSIONS CONTROL AREAS

STANDARD	EMISSIONS CONTROL AREA	SOURCE THRESHOLD	NOTIFICATION DATE	COMPLIANCE DATE
1997 (0.08 ppm)	Northern Virginia	≥ 50 tpy	March 1, 2007	April 1, 2009
2008 (0.075 ppm)	Northern Virginia	≥ 50 tpy	February 1, 2016	January 1, 2017
2015 (0.070 ppm)	Northern Virginia	≥ 50 tpy	August 3, 2019	August 3, 2020

C. For facilities subject to the provisions of this section, the owners shall, by the notification dates specified in Table 4-51B, (i) notify the board of their applicability status, (ii) commit to making a determination as to what constitutes RACT for the facilities and (iii) provide a schedule acceptable to the board for making this determination and for achieving compliance with the emission standard as expeditiously as possible but no later than the compliance dates specified in Table 4-51B.

D. Nothing in this article shall exempt any facility subject to the provisions of

9VAC5-40-7390 from being subject to the provisions of this section. The board may reevaluate any RACT determination made under 9VAC5-40-7390 and require compliance with a new RACT determination as necessary to implement this section.

E. Upon the request of the board, the owner of a facility subject to or exempt from the provisions of 9VAC5-40-7390 shall provide such information as the board deems necessary to determine if the facility is subject to this section.

9VAC5-40-7420. Standard for nitrogen oxides (8-hour ozone standard).

A. No owner or other person shall cause or permit to be discharged from any affected facility any nitrogen oxides (NO_X) emissions in excess of that resultant from using RACT.

B. Unless the owner demonstrates otherwise to the satisfaction of the board, facilities to which the presumptive RACT provisions of 9VAC5-40-7430 are applicable shall comply with the provisions of subsection A of this section by the use of presumptive RACT.

C. The provisions of this section apply to all facilities that (i) are within a stationary source in the emissions control areas specified in Table 4-51E and (ii) are within a stationary source that has a theoretical potential to emit at the applicable source thresholds specified in Table 4-51E.

TABLE 4-51E.
NOTIFICATION AND COMPLIANCE DATES FOR FACILITIES
LOCATED IN NO_X EMISSIONS CONTROL AREAS
FOR WHICH THERE IS NO PRESUMPTIVE RACT

STANDARD	EMISSIONS CONTROL AREA	SOURCE THRESHOLD	NOTIFICATION DATE	COMPLIANCE DATE
1997 (0.08 ppm)	Northern Virginia	≥ 100 tpy	March 1, 2007	April 1, 2009
2008 (0.075 ppm)	Northern Virginia	≥ 100 tpy	February 1, 2016	January 1, 2017
2015 (0.070 ppm)	Northern Virginia	≥ 100 tpy	August 3, 2019	August 3, 2020

D. For facilities subject to the provisions of this section and for which there is no presumptive RACT definition, the owners shall, by the notification dates specified in Table 4-51E, (i) notify the board of their applicability status, (ii) commit to making a determination as to what constitutes RACT for the facilities and (iii) provide a schedule acceptable to the board for making this determination and for achieving compliance with

the emission standard as expeditiously as possible but no later than the compliance dates specified in Table 4-51E.

E. For facilities subject to the provisions of this section and for which there is a presumptive RACT definition, the owners shall, by the notification dates specified in Table 4-51F, (i) notify the board of their applicability status, (ii) commit to accepting the presumptive RACT emission limits as RACT for the applicable facilities or to submitting a demonstration as provided in subsection B of this section and (iii) provide a schedule acceptable to the board for submitting the demonstration no later than the demonstration dates specified in Table 4-51F, and for achieving compliance with the emission standard as expeditiously as possible but no later than the compliance dates specified in Table 4-51F.

TABLE 4-51F.
NOTIFICATION AND COMPLIANCE DATES FOR FACILITIES
LOCATED IN NO_X EMISSIONS CONTROL AREAS
FOR WHICH PRESUMPTIVE RACT IS DEFINED

STANDARD	EMISSIONS CONTROL AREA	SOURCE THRESHOLD	NOTIFICATION DATE	DEMONSTRATION DATE	COMPLIANCE DATE
1997 (0.08 ppm)	Northern Virginia	≥ 100 tpy	March 1, 2007	June 1, 2007	April 1, 2009
2008 (0.075 ppm)	Northern Virginia	≥ 100 tpy	February 1, 2016	February 1, 2016	January 1, 2017
2015 (0.070 ppm)	Northern Virginia	≥ 100 tpy	August 3, 2019	August 3, 2019	August 3, 2020

F. Nothing in this article shall exempt any facility subject to the provisions of 9VAC5-40-7410 from being subject to the provisions of this section. The board may reevaluate any RACT determination made under 9VAC5-40-7410 and require compliance with a new RACT determination as necessary to implement this section.

G. Upon the request of the board, the owner of a facility subject to or exempt from the provisions of 9VAC5-40-7410 shall provide such information as the board deems necessary to determine if the facility is subject to this section.

State Air Pollution Control Board

Final Exempt Regulation: Amend Emissions Inspections in Accordance with Chapters 1045 and 1027 of the 2026 Acts of Assembly (Rev. MT)

Julia Wack
Regulatory Analyst, Office of Air Data Analysis and Planning
Virginia Department of Environmental Quality
Aug. 18, 2026

Background

- Inspection and Maintenance (I/M) Program: Requires motor vehicle inspections in Northern Virginia area/Ozone Transport Region

- House Bill 312 and Senate Bill 767, enacted as Chapter 1045 and 1027 of the 2026 Acts of Assembly, amends emissions inspection waiver eligibility requirements in § 46.2-1181 of the Code of Virginia.



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BILLS & RESOLUTIONS

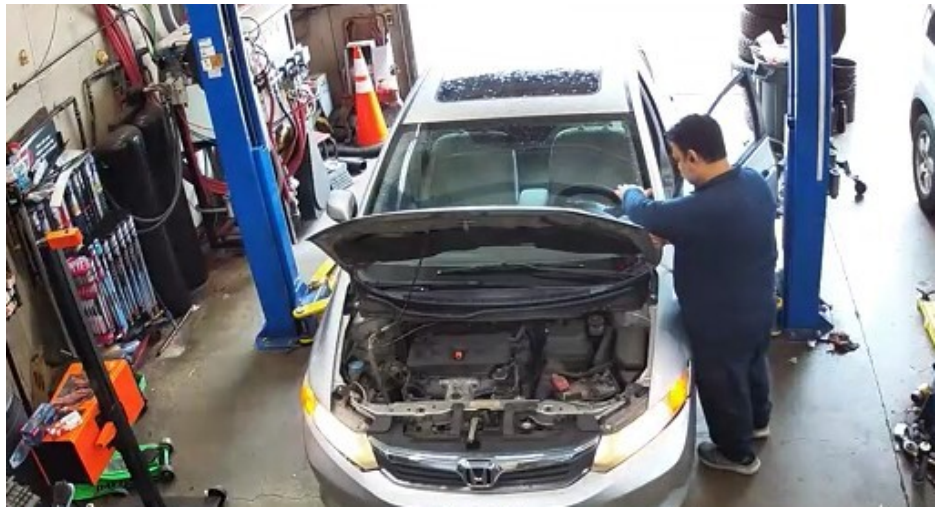
DEQ

Background, Continued

- If a vehicle fails an initial emissions inspection, the owner has 14 days to complete repairs and return the vehicle for reinspection.
- Emissions inspection waiver may be issued considering the following:
  - emissions control system component parts have not been tampered with or removed
  - inoperable emissions control system component parts are unavailable
  - emissions related repair costs meet $1090 (2026)
  - there are no visible smoke emissions



Background, Continued



Year	Failures	Percentage (of total inspections performed)
2021	15,400	1.8%
2022	14,821	1.8%
2023	15,608	1.8%
2024	14,784	1.7%
2025	14,628	1.7%

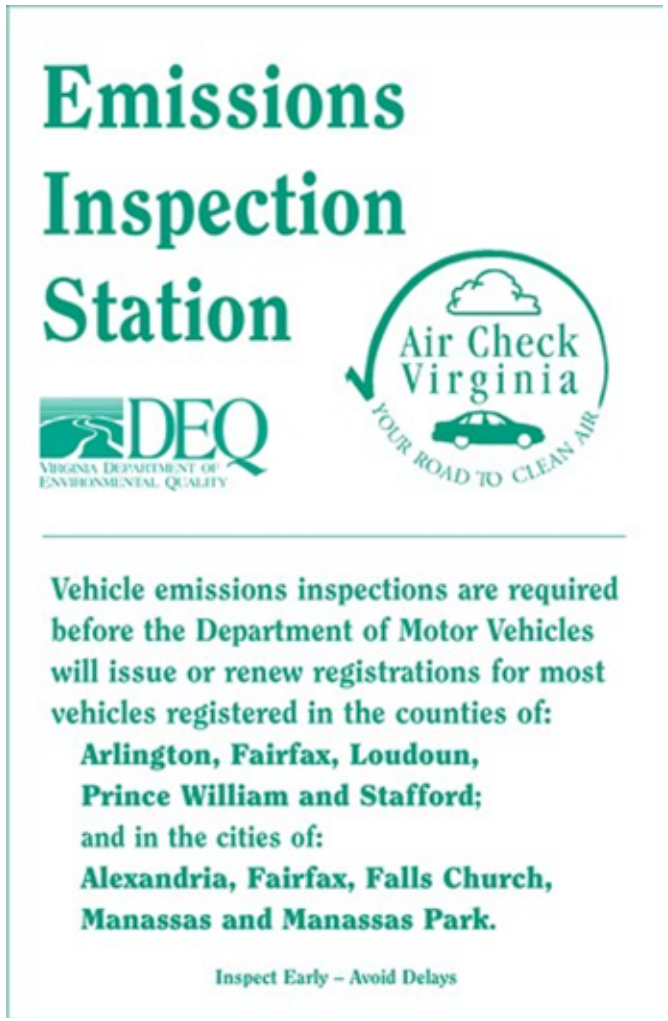
Year	Waivers	Percentage (of total failures)
2021	202	1.3%
2022	186	1.3%
2023	167	1.1%
2024	168	1.1%
2025	147	1.0%

DEQ

Course of Action

- House Bill 312 and Senate Bill 767
  - allows vehicles that have failed an initial emissions inspection to qualify for an emissions inspection waiver **if** when presented for emissions reinspection the onboard diagnostic system is in a not-ready condition to be tested

- 9VAC5-91-420 (Inspection procedure; rejection, pass, fail, waiver)
  - amend to include the new emissions inspection waiver provision as required by the 2026 General Assembly



DEQ

Today's Action

Within the State Air Pollution Control Board's regulations, amend 9VAC5-91-420 M 3 as follows:

- "The vehicle continues to exceed applicable emissions standards, or the vehicle's onboard diagnostic system is in a not-ready condition to be tested when presented for reinspection, after emissions related repairs required by 9VAC5-91-480 have been performed."





DEQ

Exempt Final Adoption Process

- § 2.2-4006 A 4 a of the Administrative Process Act (APA) – The regulation amendment is exempt from the state administrative procedures for adoption of regulations, necessary to conform with changes in Virginia statutory law
    - Such regulations shall be filed with the Registrar within 90 days of the law's effective date



DEQ



Questions?

DEQ

Department Recommendation



That the Board adopt the proposal with an effective date consistent with § 2.2-4015 A of the APA



In adopting this proposal, the Board affirms that it will receive, consider, and respond to petitions by any person at any time with respect to reconsideration or revision, as provided in § 2.2-4006 B of the APA

DEQ

State Air Pollution Control Board

Final Exempt Regulation: Emission Standards for Data Center Engine Generator-Sets (Rev. B26)

Julia Wack
Regulatory Analyst, Office of Air Data Analysis and Planning
Virginia Department of Environmental Quality
Aug. 18, 2026

Background

Air Permit Guidance, APG-576 (Diesel Engine-Generator Set Procedure for Writing New and Modified Permits)

- Addresses requirements for permit approval for emergency and non-emergency diesel engine-generator sets located at data centers
    - Specifies Tier 4 equivalent controls as presumptive best available control technology (BACT)
- Applies to permit applications received on or after July 1, 2026



DEQ

Background, Continued

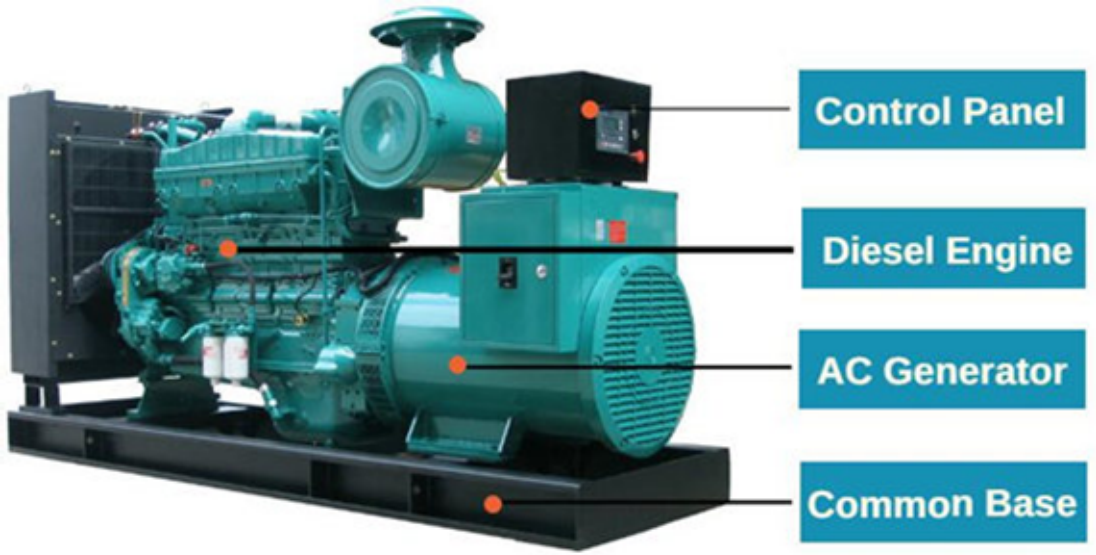
- House Bill 507 (HB 507, enacted as Chapter 397 of the 2026 Virginia Acts of Assembly)
  - Amends the Code of Virginia by adding a new section codified at § 10.1-1322.6
  - Sets emission limits for engine-generator sets at data center facilities which submit a permit application on or after July 1, 2026



Background, Continued

- § 10.1-1322.6: “[T]he Department shall not issue such permit unless the emission limit for each gen-set established by such permit is equal to or less than the emissions achieved by a Tier 4 equivalent gen-set.”

- Defines “Tier 4 equivalent” as a gen-set with the following:
  - selective catalytic reduction system or equivalent for NOx control
  - diesel oxidation catalyst system or equivalent for CO control
  - diesel particulate filter or equivalent for PM control



DEQ

Background, Continued

Tier 2

Emissions reduced* by inherent engine design

Tier 4 Equivalent

Retrofitted with add-on controls to meet Tier 4 performance

No potential automatic shutdown due to aftertreatment control system failures

Tier 4 Certified

Manufactured with CO, PM, and NO_x aftertreatment controls

Engine shuts down if any of aftertreatment control systems fail

emit 90% less NOx and PM

* compared to pre-2005 engines

DEQ

Today's Action

Within the State Air Pollution Control Board's regulations, add a new article in Chapter 50 (9VAC5-50 for new and modified stationary sources) to reflect these emission standards and meet the statutory requirements of HB 507





Virginia Administrative Code

DEQ

Exempt Final Adoption Process

- § 2.2-4006 A 4 a of the Administrative Process Act (APA) – regulations necessary to conform with changes in Virginia statutory law are exempt from the standard regulatory adoption process
  - Such regulations shall be filed with the Registrar within 90 days of the law's effective date



DEQ



Questions?

DEQ

Department Recommendation



That the Board adopt the proposal with an effective date consistent with § 2.2-4015 A of the APA



In adopting this proposal, the Board affirms that it will receive, consider, and respond to petitions by any person at any time with respect to reconsideration or revision, as provided in § 2.2-4006 B of the APA

DEQ

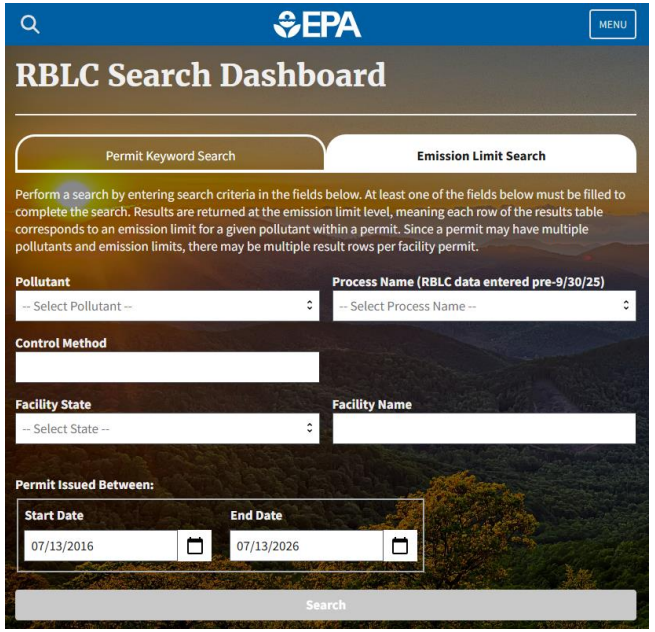
State Air Pollution Control Board

Final Exempt Regulation: Amend Case-by-Case Reasonably Available Control Technology (RACT) Determination Regulation to Meet the Requirements of EPA's 2015 Ozone Standards (Rev. C26)

Julia Wack
Regulatory Analyst, Office of Air Data Analysis and Planning
Virginia Department of Environmental Quality
Aug. 18, 2026

Background

- **Reasonably Available Control Technology (RACT):** "the lowest emission limitation that a source is capable of meeting by the application of control technology that is reasonably available considering technological and economic feasibility"
  - Control Technique Guidelines (CTGs) and Alternative Control Techniques (ACTs)
    - used to help determine VOC/NO_X RACT
    - applies to major stationary source types and categories
  - Non-CTG RACT
    - applies to major VOC/NO_X sources not covered by CTGs
    - potential to emit at least 50 tpy VOC or 100 tpy NO_X



DEQ

Background, Continued

	Reasonably Achievable Control Technology (RACT)*	Best Available Control Technology (BACT)
Applies to:	existing major sources of VOC and NO_X in NAAQS nonattainment areas/OTR	new/modified major stationary sources in NAAQS attainment areas
Achieves:	lowest reasonable emission limitation considering technological and economic feasibility	maximum degree of emission reduction considering energy, environmental, and economic impacts
Purpose:	NAAQS compliance, Clean Air Act and corresponding OTR requirements	prevention of air quality significant deterioration

* **LAER (lowest achievable emissions rate):** In nonattainment areas and the OTR, new and modified major stationary sources must install the most stringent emissions limitation that is achievable in practice.

DEQ

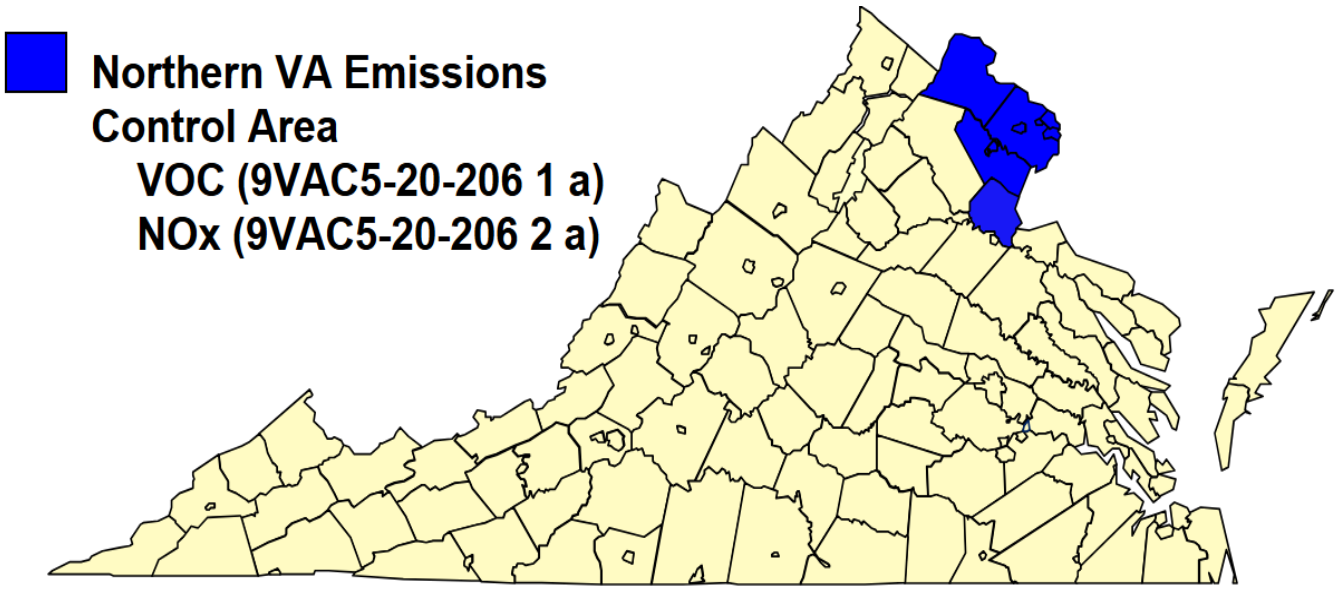
Background, Continued

- RACT must be implemented in ozone (O_3) transport region to satisfy federal Clean Air Act (CAA) requirements

EPA proposed approval of NH's CAA petition to be removed from the OTR Aug. 6, 2026



Source: OTC



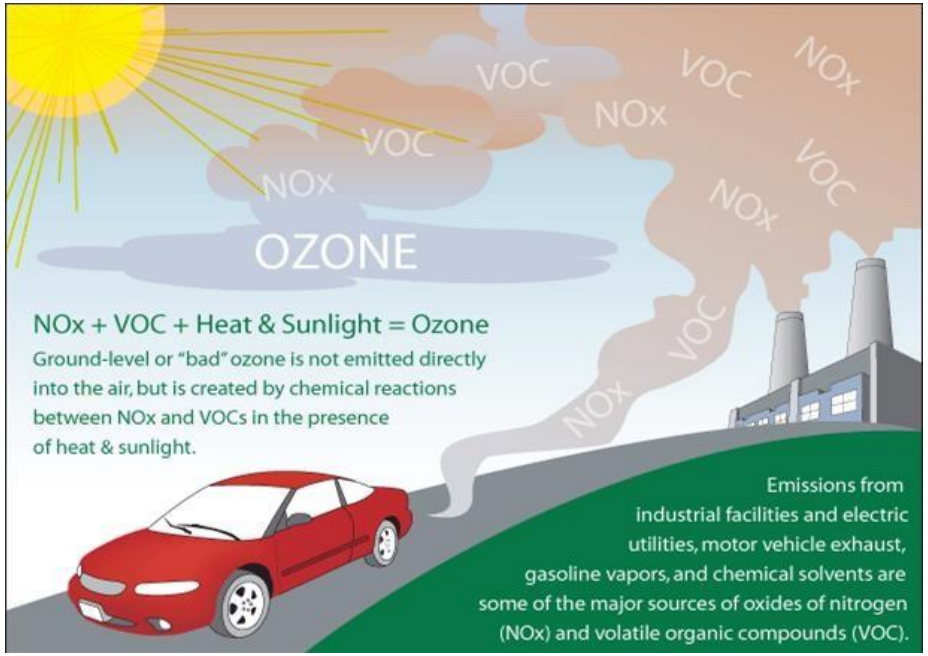
Corresponds to Northern Virginia VOC and NO_X Emissions Control Areas: Arlington, Fairfax, Loudoun, Prince William, Stafford, Alexandria, Fairfax, Falls Church, Manassas, Manassas Park

DEQ

Background, Continued

- EPA strengthened the primary and secondary O_3 National Ambient Air Quality Standard (NAAQS) to 0.070 ppm October 26, 2015 by adding § 50.19 and Appendix U to 40 CFR Part 50 in 2015

- 1979 Standard
  - 0.12 ppm (124 ppb), averaged over 1 hour
- 1997 Standard
  - 0.08 ppm (84 ppb), averaged over 8 hours
- 2008 Standard
  - 0.075 ppm (75 ppb), averaged over 8 hours
- 2015 Standard
  - 0.070 ppm (70 ppb), averaged over 8 hours



Source: EPA

DEQ

Background, Continued

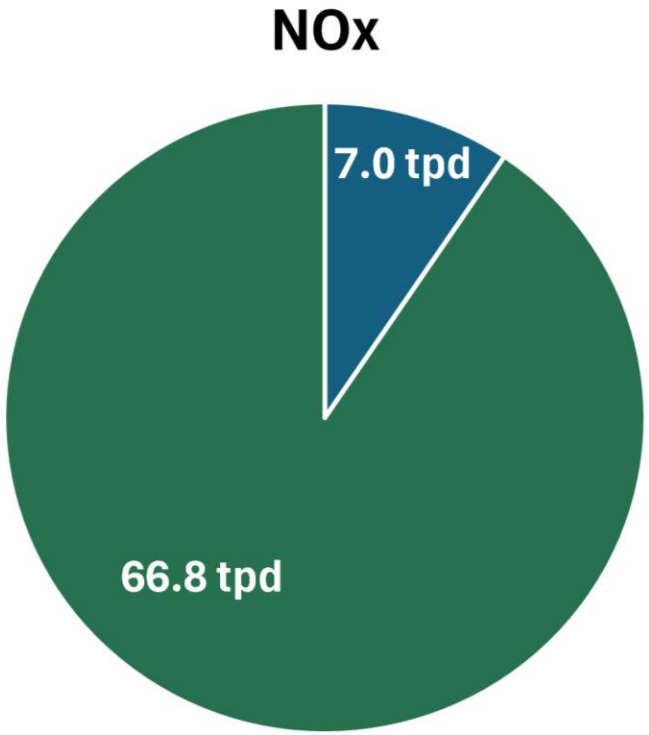
O_3 Standard	Process in Virginia
1979 Standard, 0.12 ppm	Approximately 20 top-down analyses, multiple facilities relied on presumptive RACT
1997 Standard, 0.08 ppm	Reevaluated previous RACT determinations
2008 Standard, 0.075 ppm	Approximately 5 top-down analyses (2 municipal waste facilities, 2 compressor stations, 1 electric generating unit)
2015 Standard, 0.070 ppm	Reevaluating previous RACT determinations The MSW permits issued by NRO implementing RACT for the 2008 O_3 NAAQS contain the most stringent NOx RACT limitations in the country.

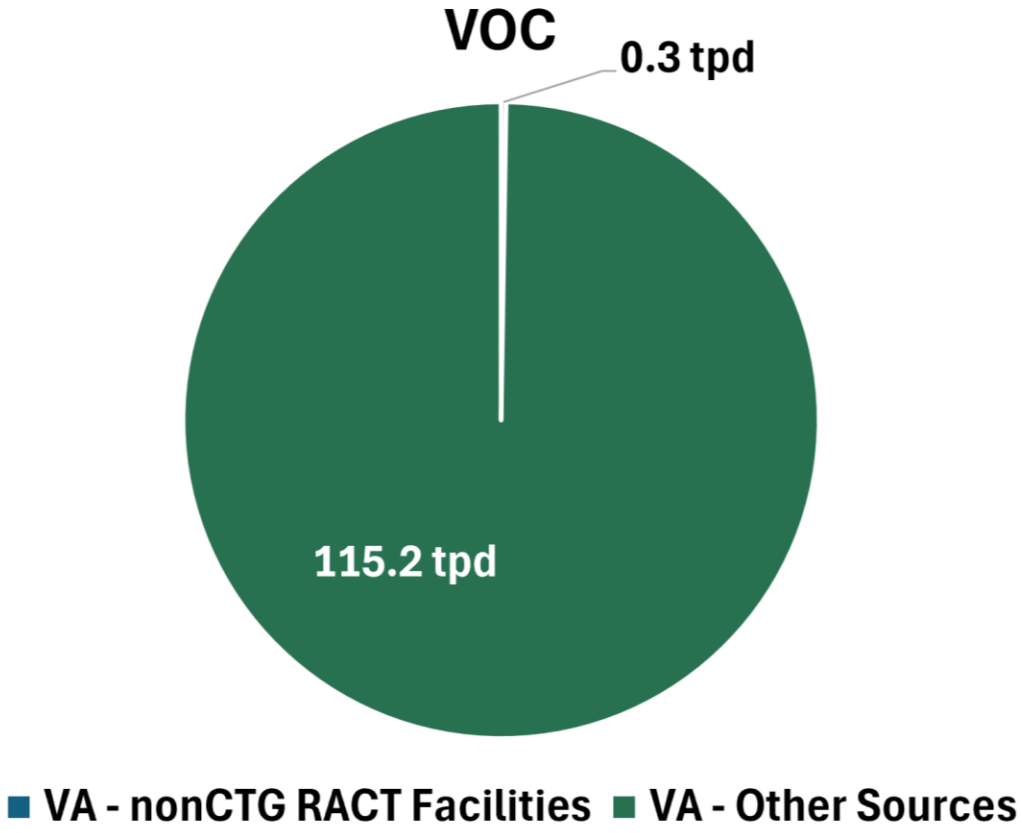
DEQ

Background, Continued

SIP Washington DC-MD-VA Inventory

- Other includes other point, nonpoint, marine, air, rail, nonroad mobile, onroad mobile, and quasi-point





DEQ

Today's Action

Within the State Air Pollution Control Board's regulations, add the 2015 8-hour O_3 standard to Article 51 of 9VAC5-40 (Emission Standards for Stationary Sources Subject to Case-By-Case RACT Determination) to implement RACT in accordance with federal requirements.





DEQ

Exempt Final Adoption Process

- § 2.2-4006 A 4 c of the Administrative Process Act (APA) – regulations necessary to meet the requirements of the federal Clean Air Act and do not differ materially from the pertinent EPA regulations
  - Registrar's exemption determination shall be published in the Virginia Register not less than 30 days prior to the effective date of the regulation



DEQ



Questions?

Department Recommendation



That the Board adopt the proposal with an effective date consistent with § 2.2-4015 A of the APA



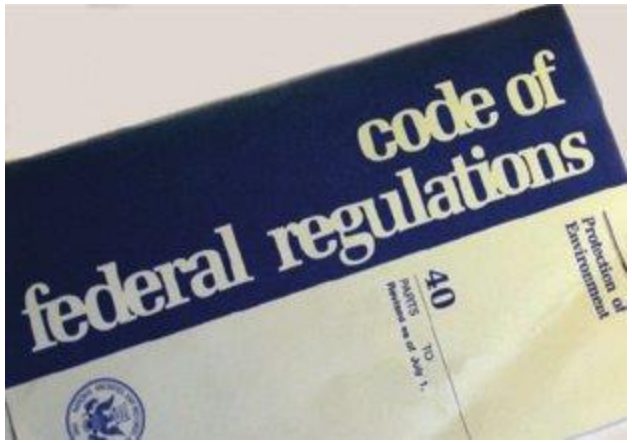
In adopting this proposal, the Board affirms that it will receive, consider, and respond to petitions by any person at any time with respect to reconsideration or revision, as provided in § 2.2-4006 B of the APA

DEQ

Anticipated Forthcoming Regulatory Actions

- Federal Documents Incorporated by Reference Annual Amendment - reflect the Code of Federal Regulations as published on July 1, 2026 (Exempt Final)

- Secondary SO_2 NAAQS (Exempt Final)





DEQ

Controversial Air Permits

State Air Pollution Control Board Meeting

Angie Jenkins
Air Division
Virginia Department of Environmental Quality
Aug. 18, 2026

Controversial Permits Report
Va. Code 10.1-1184.1

Provide an overview and update regarding any “controversial permits” pending before the department.

Immediately after such presentation by the department, the board will have an opportunity to respond to the department's presentation and provide commentary regarding such pending permits.



DEQ

Definition of “Controversial Permit”

"Controversial permit" means an air permitting action where a public hearing is required for

(i) the construction of a new major source or for a major modification to an existing source

(ii) a new fossil fuel-fired generating facility with a capacity of 500 megawatts or more

(iii) a major modification to an existing source that is a fossil fuel-fired generating facility with a capacity of 500 megawatts or more

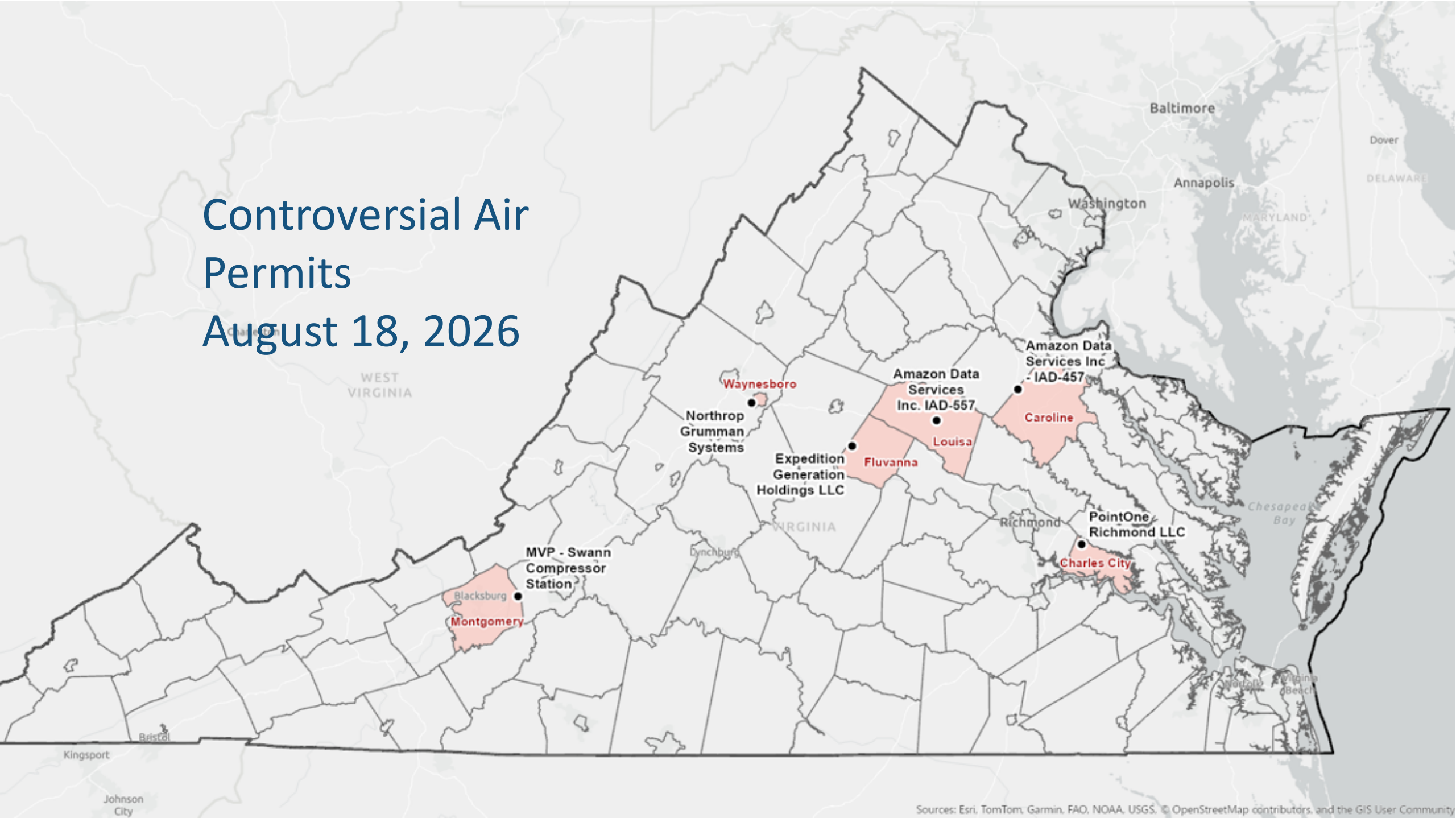
(iv) a new fossil fuel-fired compressor station facility used to transport natural gas, or

(v) a major modification to an existing source that is a fossil fuel-fired compressor station facility used to transport natural gas.

Controversial permit" means an air permitting action for which a public hearing has been granted pursuant criteria set forth in 10.1-1184.1.C.

DEQ

Controversial Air Permits
August 18, 2026



Amazon Data Services Inc. – IAD-457 (74325)

- Data Center
- Caroline County
- Application rec'd by NRO: Oct. 14, 2025 for State Major permit
- "Controversial permit"- new major source



Figure 5, Amazon Data Services, Inc. (Reg. No. 74049) data center in Ashburn, Virginia.

DEQ

Amazon Data Services – IAD-457 (74325)

- 306 – 2.75 MW Gen-Sets w/ SCR & Catalyzed Diesel Particulate Filter (cDPF)





Pollutant	Potential to Emit – Tons/Year	Proposed Controls
NOx	236.6	SCR
PM/PM10/PM2.5	20.6/20.6/20.6	cDPF
CO	163.5	cDPF/Good Combustion Practices
VOC	42.3	cDPF/Good Combustion Practices
SO2	2.5	ULSD/Renewable Diesel Fuel
Formaldehyde	1.27	cDPF/Good Combustion Practices

DEQ

Amazon Data Services, Inc. IAD-557 (74340)

- Data Center
- Louisa County
- State Major Permit application
- Application rec’d by NRO: Dec.1, 2025
- “Controversial permit” - new major source



Figure 1, Engine Generator Housing



DEQ

Amazon Data Services – IAD-557 (74340)

- 272 – 2.75 MW Gen-Sets w/ SCR & Catalyzed Diesel Particulate Filter (cDPF)



Pollutant	Potential to Emit – Tons/Year	Proposed Controls
NOx	236.6	SCR
PM/PM10/PM2.5	20.6/20.6/20.6	cDPF
CO	164.7	cDPF/Good Combustion Practices
VOC	42.1	cDPF/Good Combustion Practices
SO2	2.5	ULSD/Renewable Diesel Fuel
Formaldehyde	1.4	cDPF/Good Combustion Practices

DEQ

PointOne Richmond LLC (53261)

- Data Center
- On-Site Power Generation
- Charles City County
- State Major Permit Application rec’d by PRO: 12/19/25
- “Controversial permit” - new major source



DEQ

PointOne Richmond, LLC (Reg. No. 53261)

- 252 – 3 MW Tier 2 Gen-sets
- 18 – 800 kW Tier 2 Gen-sets
- 16 – 17.8 MW NG Turbines
- 19 – 18 MW NG Turbines



Pollutant	Potential to Emit – Tons/Year	Proposed Controls
NOx	245	SCR for 252 engines and all turbines
PM/PM10/PM2.5	146.5	Good Combustion Practices
CO	245	Good Combustion Practices
VOC	50.6	Good Combustion Practices
SO2	73.4	Low Sulfur Fuels (NG & ULSD)
Formaldehyde	4.35	Good Combustion Practices

DEQ

Expedition Generation Holdings LLC (81947)

- Proposed approx. 1600 MW Natural Gas Combined Cycle Power Plant in Fluvanna County
- Adjacent to approx. 940 MW Existing Tenaska Power Plant
- PSD Permit Application rec'd by VRO: 4/30/26
- PSD Applicant Briefing: 7/28/26
- "Controversial Permit"
  - new major source



DEQ

Expedition Generation Holdings (81947)

- Two combined cycle combustion turbines
  - Primarily natural gas, with ULSD backup

Pollutant	PTE (tpy) – GE	PTE (tpy) – Mitsu.	Proposed Controls
NOx	557	554	DLN burners and SCR
PM/PM10/PM2.5	313/313/312	523/524/522	Low sulfur fuels (NG and ULSD)
CO	546	2,858	Oxidation catalyst
VOC	186	1,125	Oxidation catalyst
SO2	80.0	77.8	Low sulfur fuels (NG and ULSD)
Formaldehyde	11.2	11.2	Oxidation catalyst

Northrop Grumman Systems Corp (81917)

- Manufacturing advanced electronics and electromechanical components
- City of Waynesboro



- Application - State Operating Permit to Limit HAPs
- Application Received by VRO: 11/5/25
- “Controversial permit” – 10.1-1184.1.C./Director’s discretion
- Public Hearing: 7/23/26

Northrop Grumman Systems Corp. (81917) State Operating Permit

- Spray Coating, Solvent Use, Cooling Towers, Solvent Consumption
- Establishes a Federally-Enforceable Limit on Hazardous Air Pollutants
- Elective Permit Requested by Applicant, Not Required
- HAPs: Toluene, Xylene, Methyl Isobutyl Ketone (MIBK)



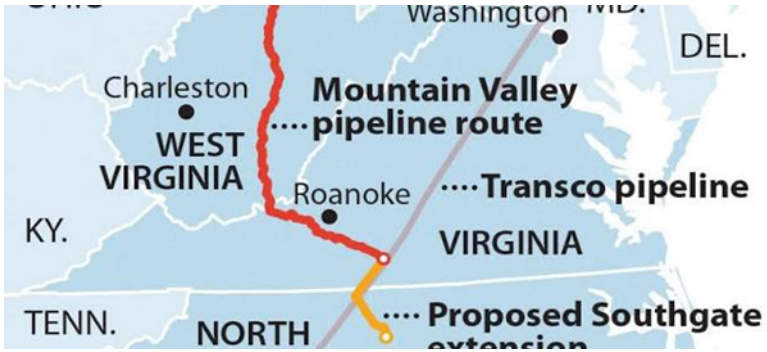
Pollutant	Potential to Emit – Tons/Year
Single Hazardous Air Pollutant (HAP)	9.9
Aggregate Hazardous Air Pollutants (HAPS)	24.9

DEQ

Mountain Valley Pipeline, LLC – Swann Compressor Station (21808)



- Natural Gas Compressor Station
- Montgomery County
- Minor New Source Review
- Application rec'd by BRRO: 11/3/25
- "Controversial permit" – new natural gas compressor station



DEQ

Mountain Valley Pipeline, LLC – Swann Compressor Station (21808)

- 2 – 52,500 bhp Natural Gas Turbines
- 1 – 31,900 bhp Natural Gas Turbine
- 15 – 200 kW Natural Gas Microturbines



Pollutant	Potential to Emit – Tons/Year	Proposed Controls
NOx	54.99	SoLoNox & SCR
PM/PM10/PM2.5	43.59/44.36/44.35	Inlet Air Filters
CO	46.57	Catalytic Oxidation
VOC	22.72	Catalytic Oxidation
SO2	15.21	Low Sulfur Fuels ULSD/NG
Formaldehyde	2.6	Catalytic Oxidation

DEQ

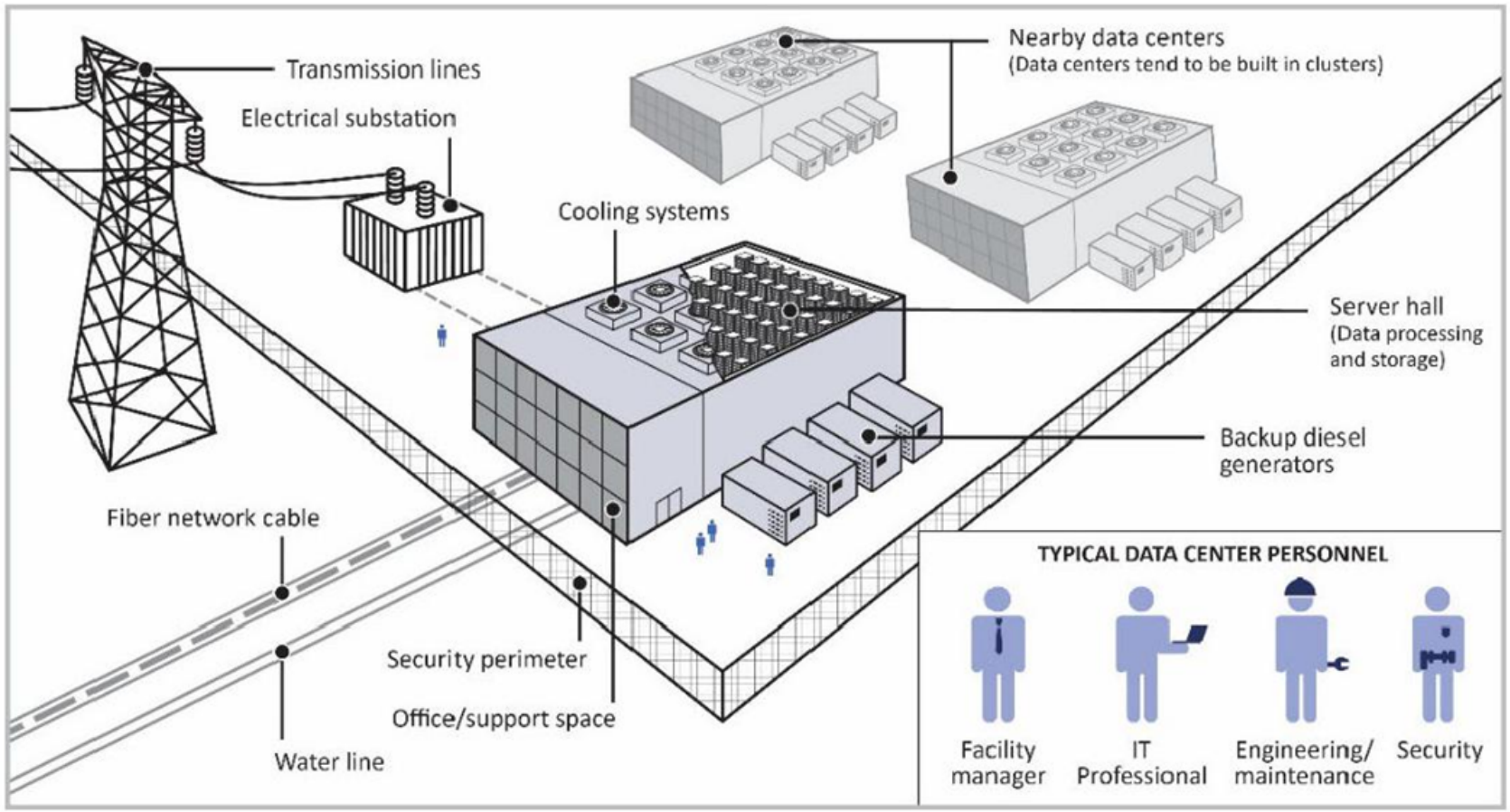
DEQ
VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY

Comments?

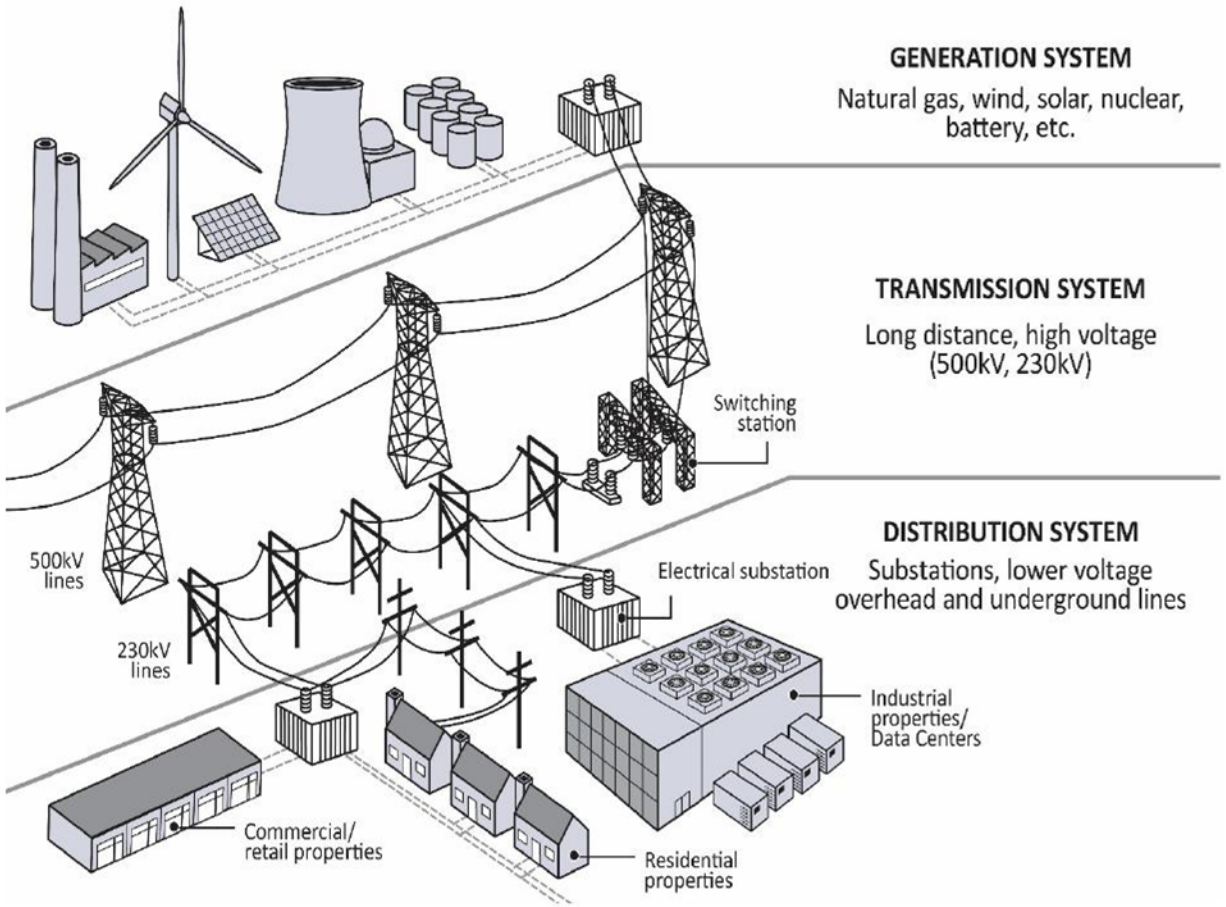
Data Center Air Permits

Stanley Faggert
Minor New Source Review (NSR) Coordinator
Virginia Department of Environmental Quality
August 2026

Modern data centers are large industrial buildings, increasingly located together on “campuses”



Energy comes from a complex grid composed of generation, transmission, and distribution systems



Data Center Definition

- From § 58.1-3506 (tax law) via § 10.1-1322.6
- *Computer equipment and peripherals used in a data center. For purposes of this subdivision, "data center" means a facility whose primary services are the storage, management, and processing of digital data and is used to house (i) computer and network systems, including associated components such as servers, network equipment and appliances, telecommunications, and data storage systems; (ii) systems for monitoring and managing infrastructure performance;*

DEQ

Data Center Definition (continued)

- *(iii) equipment used for the transformation, transmission, distribution, or management of at least one megawatt of capacity of electrical power and cooling, including substations, uninterruptible power supply systems, all electrical plant equipment, and associated air handlers; (iv) Internet-related equipment and services; (v) data communications connections; (vi) environmental controls; (vii) fire protection systems; and (viii) security systems and services;*

Regulatory Responsibilities

Responsibility	Regulatory Entity
Data Center Siting	Localities
Transmission Line Locations	State Corporation Commission (SCC)
Power Plant Locations	SCC and Localities
Noise Regulation	Localities (and ~soon: DEQ)
Wetland Impacts	DEQ and U.S. Army Corps of Engineers
Water Withdrawal	DEQ or buy from Municipalities
Land Disturbance, Erosion & Sediment Control (ESC), and Stormwater Management (SWM)	DEQ or Localities (if locality has ESC/SWM program authority)
Air Permits	DEQ
Water Discharges	DEQ or discharge to Municipal sewer

DEQ

Data Center Regulatory Requirements

- Proposed regulation previously discussed: implemented through a permit
- General regulations applicable to all stationary sources
- Primary source of air pollution-related applicable requirements is any DEQ-issued permit
- There are EPA engine regulations that typically apply
  - Most/all data centers comply by purchasing certified engines
- There are no other existing data center-specific air pollution control regulations

Data Center Emission Units

- Backup/emergency generators: the vast majority of these are diesel-fired reciprocating engine-driven generators or “gen-sets”.
  - These gen-sets are the primary sources of potential and actual air emissions at data centers
- Cooling towers – air emissions are small
- Fuel storage tanks – air emissions are very small
- Primary power generation – only one data center currently operating and two pending applications
  - Natural gas-fired combustion turbines for one; natural gas fuel cells for the other

Types of Air Permits - 9VAC5 Chapter 80



- Title IV/V – Articles 1 and 3
- State Operating Permits – Article 5
- **Minor New Source Review (NSR) – Article 6**
- Major Hazardous Air Pollutant (HAP) NSR – Article 7
- Major NSR – Prevention of Significant Deterioration (PSD) – Article 8
- Major NSR – Nonattainment – Article 9

Types of Air Permits

Two general categories of air permits in Virginia

Pre-construction

Operating

Pre-construction Permits are Commonly Referred to as New Source Review (NSR)

In Virginia, a NSR Permit Authorizes Both Construction **AND** Operation

Once issued, NSR permits remain effective until a stationary source proposes a modification/amendment

DEQ

National Ambient Air Quality Standard (NAAQS) Pollutants

- Ozone –
  - Volatile Organic Compounds (VOC) + Nitrogen Oxides (NOx) + Sunlight
- Particulate Matter ≤10 microns – includes condensable PM
- Particulate Matter ≤2.5 microns – includes condensable PM
- Sulfur Dioxide (SO2)
- Nitrogen Dioxide (NO2)
- Carbon Monoxide (CO)
- Lead

Minor NSR – Article 6
The Bread & Butter of the Program



- Pre-construction permits for minor NSR
  - Virginia program incorporated into the State Implementation Plan (SIP) – therefore is federally enforceable
  - Requires Best Available Control Technology (BACT) – not true for every state's minor NSR regulations
  - 100 tons/year threshold in most of northern Virginia – all types
  - 250 tons/year elsewhere – most types, including data centers
- General permits – permits by rule or regulation
  - Rarely used by anyone
  - No data centers

Minor & Major Sources

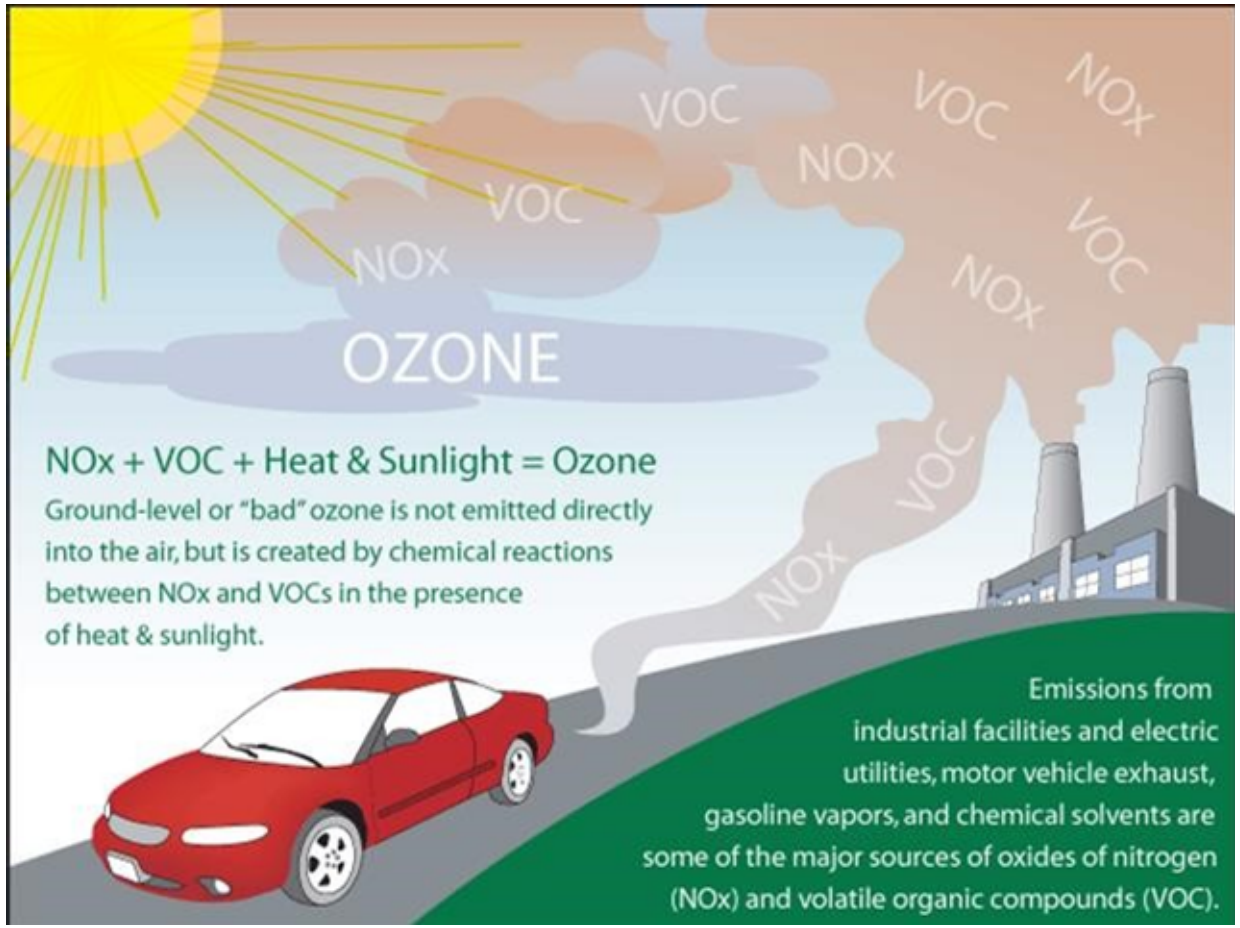
- Three data centers are Title V major sources; the remainder are **minor sources** that don't required Title V permits
- Most data centers have unrestricted potential to emit well above major source thresholds
- Typically request permit limits just below major source thresholds for NOx with **fuel throughput** limits providing an enforcement mechanism

DEQ

Data Center Permits

Operating Limitations (Ozone Season) – ***No emergency diesel engine gen-set… shall be operated*** *for scheduled maintenance checks and readiness testing (Scheduled MCRT), stack testing, or operation training (that involves fuel combustion)* ***between the hours of 7 a.m. to 5 p.m. any day during May 1 through September 30****…(9 VAC 5-80-1180)*

Applies regardless of predicted or actual AQI, and no exceptions granted on high AQI days



Source: https://www.epa.gov/ground-level-ozone-pollution/ground-level-ozone-basics

DEQ

Data Center Permits

- Require initial **stack testing** to demonstrate compliance with NOx and CO pound/hour limits
- Include hour/year limits on scheduled **maintenance and readiness testing activities** for each emergency engine
- Typically require **daily recordkeeping** of operations, monitoring, and emissions calculations

Pre-July 1, 2026

DEQ BACT Guidance for Diesel Engines (all source categories)

Engine Type	NOx (as NO2)	CO	VOC	PM, PM10, & PM2.5	SO2
Emergency	6.0 g/hp-hr	Proper operation and maintenance (O&M)			ULSD
Non-Emergency*	0.6 g/hp-hr	Diesel Oxidative Catalyst (DOC)	Proper O&M	Diesel Particulate Filter (DPF)	ULSD

*Non-emergency engine for Virginia, which differs from NSPS IIII.

- Installation of a selective catalytic reduction (SCR) system is the most common way of achieving 0.6 g/hp-hr limit

DEQ

On and After July 1, 2026

DEQ BACT Requirements for Data Center Gen-sets

Engine Type	NOx (as NO2)	CO	VOC	PM, PM10, & PM2.5	SO2
Emergency and Non-Emergency*	0.6 g/hp-hr	Diesel Oxidative Catalyst (DOC)	Proper O&M	Diesel Particulate Filter (DPF)	ULSD

*Non-emergency engine for Virginia, which differs from NSPS IIII.

- Both law and guidance
- Because of law, cost will no longer be a consideration for data centers
- Previous guidance still effective for non-data center gen-sets

DEQ

Table 1: Comparison of EPA and Virginia Definition of "Emergency" for Gen-Sets		
Agency	EPA	Virginia DEQ
Emergency Operation	Unlimited	500 hours total for all purposes
Gen-set (only) Readiness + Maintenance	100 hours	
Operation for other non-emergency purposes	50 hours (also counts against the 100-hour allowance)	0 hours*
ISO (PJM) Declared Emergencies	Considered to be non-emergency operation	Considered to be emergency operation**

** Except for DOD mission critical units; SB 1407 – 2025 General Assembly*

*** §10.1—1307.02*

DEQ

National Defense Exemption

- SB 1407 (Sen. Reeves) – 2025
  - Affects gen-sets certified by the U.S. DOD or branch of the armed services as mission critical and essential to defense
  - If certified will be allowed to run for 50 hours per year for non-emergency use
  - Not applicable to any data centers to date



Image: Tier 4F equivalent retrofit on a Tier 2 generator. Steel pillars would be installed on either side of the enclosure supporting a platform and a walkway around the unit.

DEQ

Data Centers: Emergency vs. Non-Emergency

- One predicted impact from the data center Tier 4-equivalent gen-set legislation:
  - Given the requirement to install controls for any gen-set, there will no longer be any incentive for data centers to permit their gen-sets as emergency units
  - Individual data center gen-set operations will still be constrained by their permitted overall annual emission limits
  - EPA engine rules currently require Tier 4-certified units for any non-emergency operation beyond 50 hours per year

EPA's Stationary Engine Regulations

National Emission Standards for Hazardous Air Pollutants (NESHAP)

40 CFR part 63 subpart ZZZZ

- Applies to existing and new stationary compression ignition (CI) and spark ignition (SI) engines, except certain existing emergency engines at area sources that are residential, commercial, or institutional

New Source Performance Standards (NSPS) for Stationary CI Internal Combustion Engines

40 CFR part 60 subpart IIII

- Applies to stationary CI engines:
  - Ordered after July 11, 2005, and manufactured after April 1, 2006
  - Modified or reconstructed after July 11, 2005

NSPS for Stationary SI Internal Combustion Engines

40 CFR part 60 subpart JJJJ

- Applies to stationary SI engines:
  - Ordered after June 12, 2006, and manufactured on/after
    - July 1, 2007, if ≥500 horsepower (HP) (except lean burn 500≤HP<1,350)
    - January 1, 2008, if lean burn 500≤HP<1,350
    - July 1, 2008, if <500 HP and not emergency >25 HP
    - January 1, 2009, if emergency >25 HP
  - Modified or reconstructed after June 12, 2006

DEQ

EPA Engine Rules

- Comply by purchasing certified engines
- EPA certified to meet specific emission standards:
  - Tier 2: emissions reduced by inherent design; no add-on controls
  - Tier 4: manufactured with add-on controls
  - Tier 4 equivalent: add-on controls by either after-market or engine manufacturers

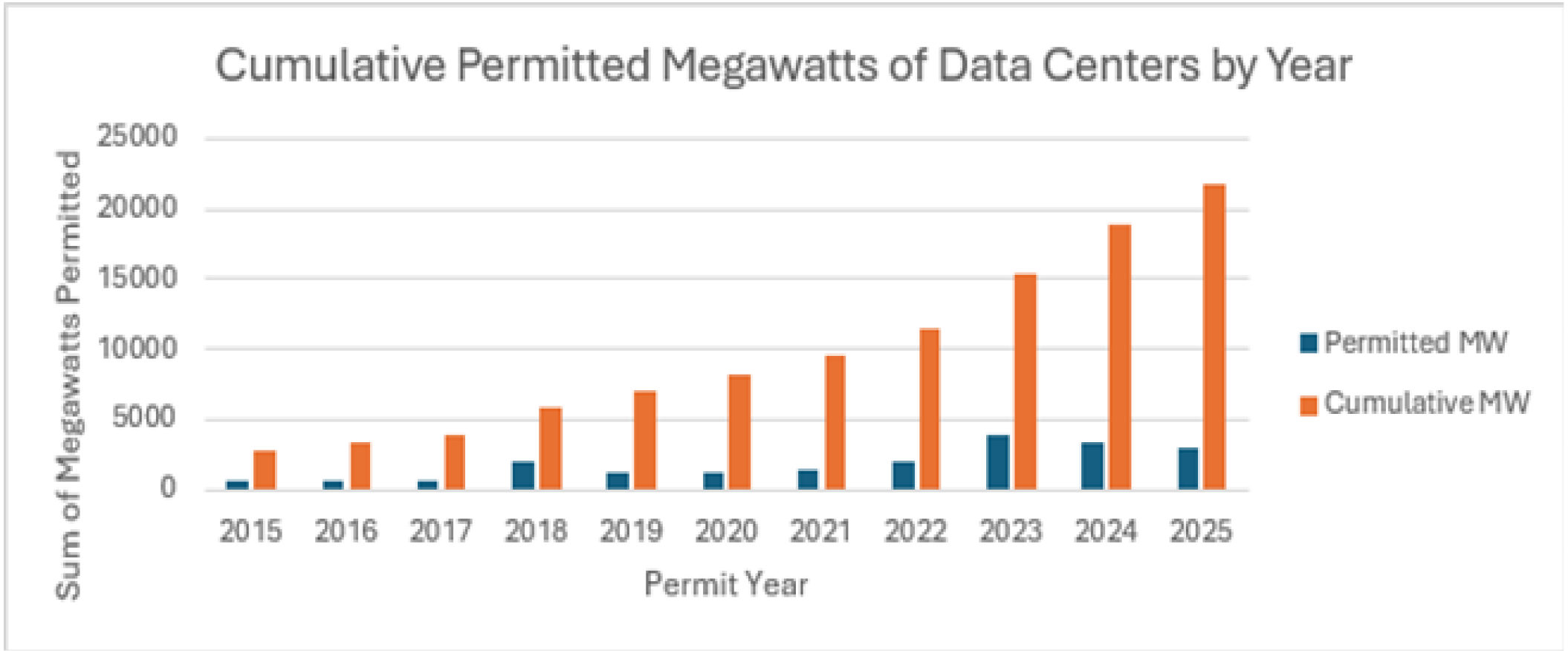


Engine generator housing.

Permitted Data Centers Stationary Sources

- As of August 12, 2026: 200 permitted data center stationary sources
  - Regulatory definition of stationary source
  - Can include multiple data centers or data center buildings on contiguous property
  - Maintain list on DEQ external website
- As of August 12, 2026:
  - Permitted gen-sets = ~ 10,260
  - Combined capacity = ~ 26,100 megawatts

Cumulative Permitted Megawatts of Data Centers (Yearly)



DEQ

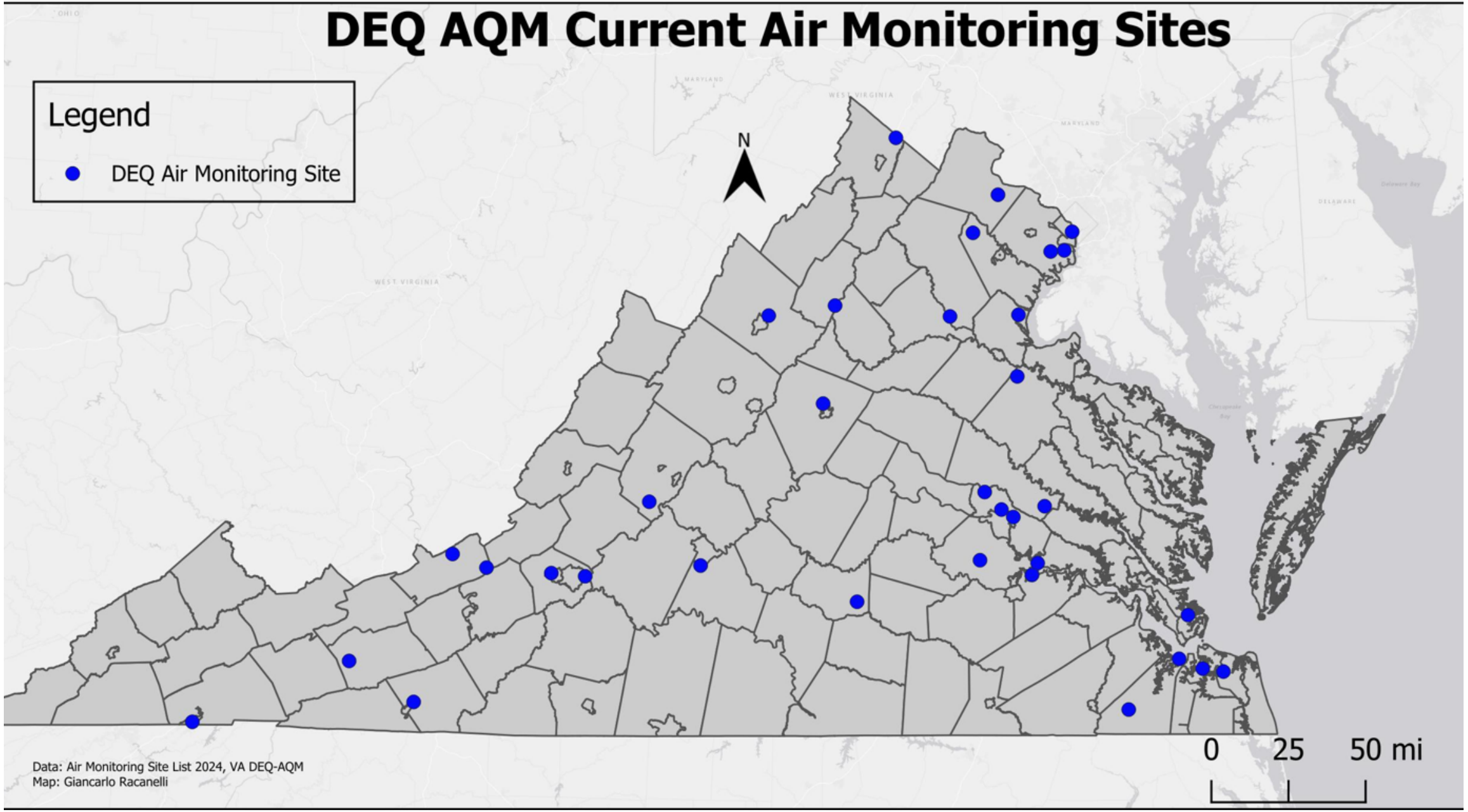
Pending Data Center Applications

- As of August 12, 2026: 39 pending data center applications
  - 12 for new stationary sources
  - 14 for projects including 10 or more new gen-sets
  - 13 for projects including less than 10 new gen-sets
- Combined total = ~2,440 gen-sets; ~7,000 MW
  - 12 new stationary sources = ~1,760 gen-sets; ~5,000 MW
  - 14 projects ≥10 gen-sets = ~650 gen-sets; ~1,900 MW
  - 13 projects <10 gen-sets = ~30 gen-sets; ~100 MW

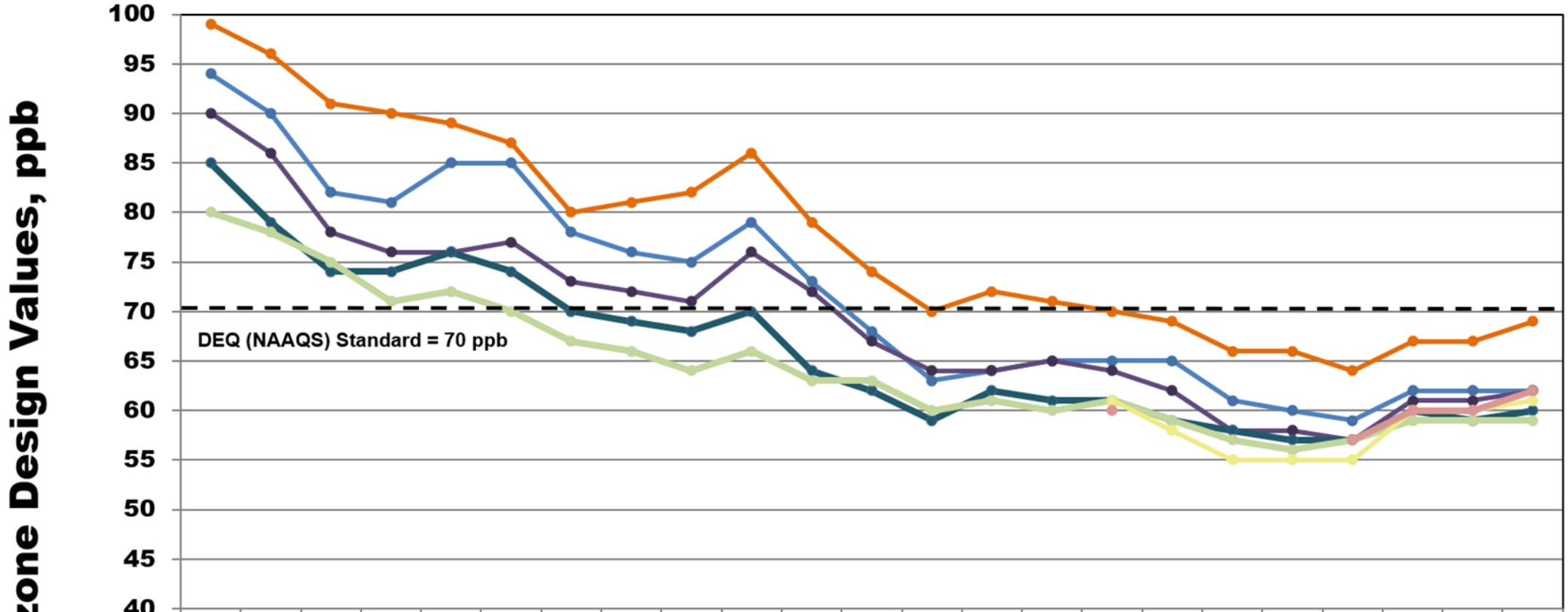
DEQ

Pending Data Center Applications

- No data center in Virginia is using or has proposed to use portable combustion turbines as temporary “non-road” engine a was done in Memphis
- No Virginia data center gen-sets have yet operated pursuant to any of the Department of Energy/PJM 202(c) petitions


DEQ AQM Current Air Monitoring Sites
Legend
DEQ Air Monitoring Site
N
WEST VIRGINIA
MARYLAND
DELAWARE
0
25
50 mi
Data: Air Monitoring Site List 2024, VA DEQ-AQM
Map: Giancarlo Racanelli

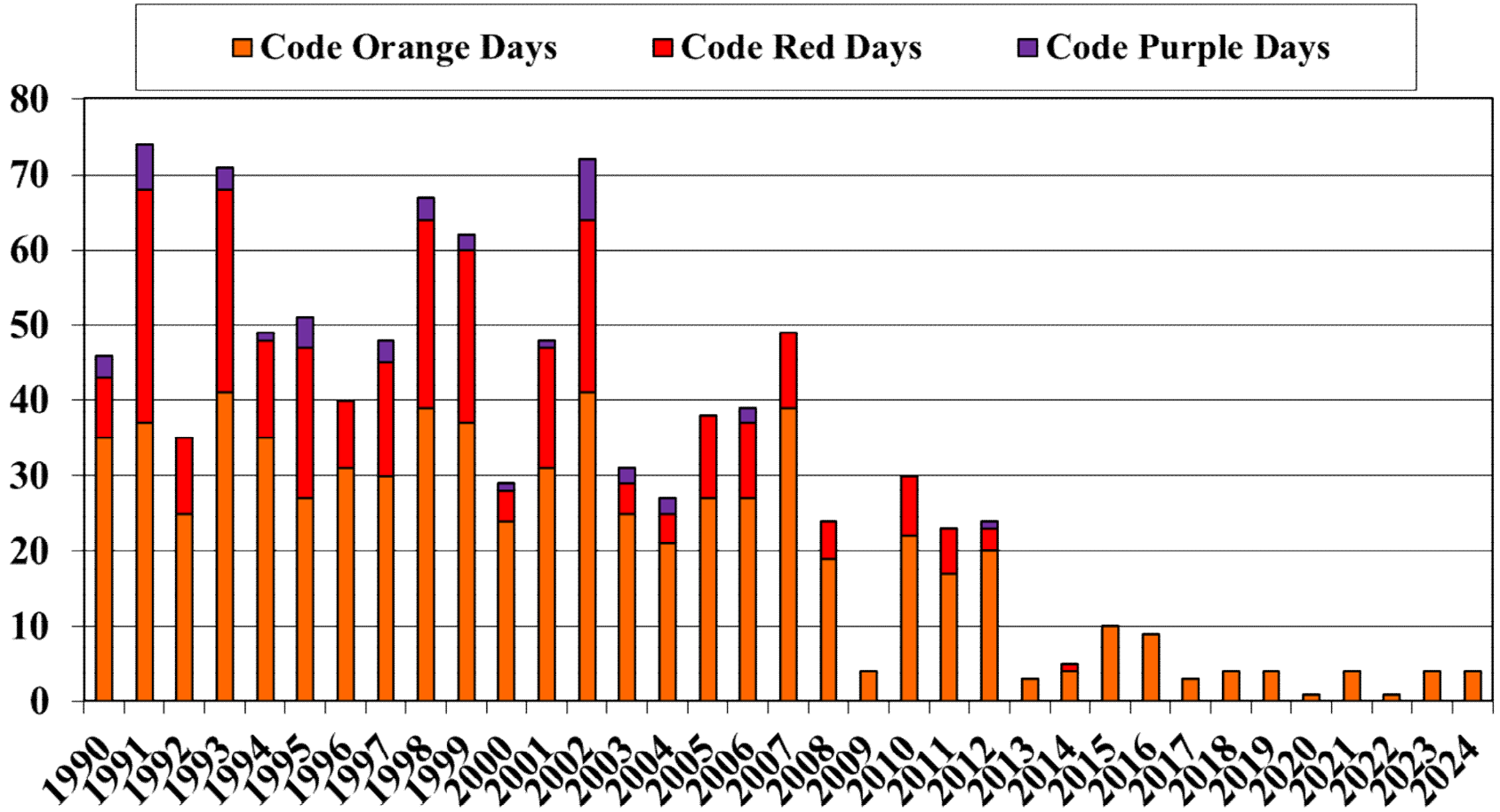
Virginia Ozone Standard Trends



	2001 - 2003	2002 - 2004	2003 - 2005	2004 - 2006	2005 - 2007	2006 - 2008	2007 - 2009	2008 - 2010	2009 - 2011	2010 - 2012	2011 - 2013	2012 - 2014	2013 - 2015	2014 - 2016	2015 - 2017	2016 - 2018	2017 - 2019	2018 - 2020	2019 - 2021	2020 - 2022	2021 - 2023	2022 - 2024	2023 - 2025
Richmond	94	90	82	81	85	85	78	76	75	79	73	68	63	64	65	65	65	61	60	59	62	62	62
Va Beach-Chesapeake MSA	90	86	78	76	76	77	73	72	71	76	72	67	64	64	65	64	62	58	58	57	61	61	62
NoVA	99	96	91	90	89	87	80	81	82	86	79	74	70	72	71	70	69	66	66	64	67	67	69
Roanoke MSA	85	79	74	74	76	74	70	69	68	70	64	62	59	62	61	61	59	58	57	57	60	59	60
Southwest Virginia	80	78	75	71	72	70	67	66	64	66	63	63	60	61	60	61	59	57	56	57	59	59	59
Winchester																61	58	55	55	55	60	60	61
Harrisonburg																60				57	60	60	62

DEQ

Number of 8- hour Ozone Exceedance Days in Northern Virginia*, 1990-2024



Attained National Ambient Air Quality Standard (NAAQS)! - 90 FR 14730 (Apr. 4, 2025)

***Excludes Stafford County**

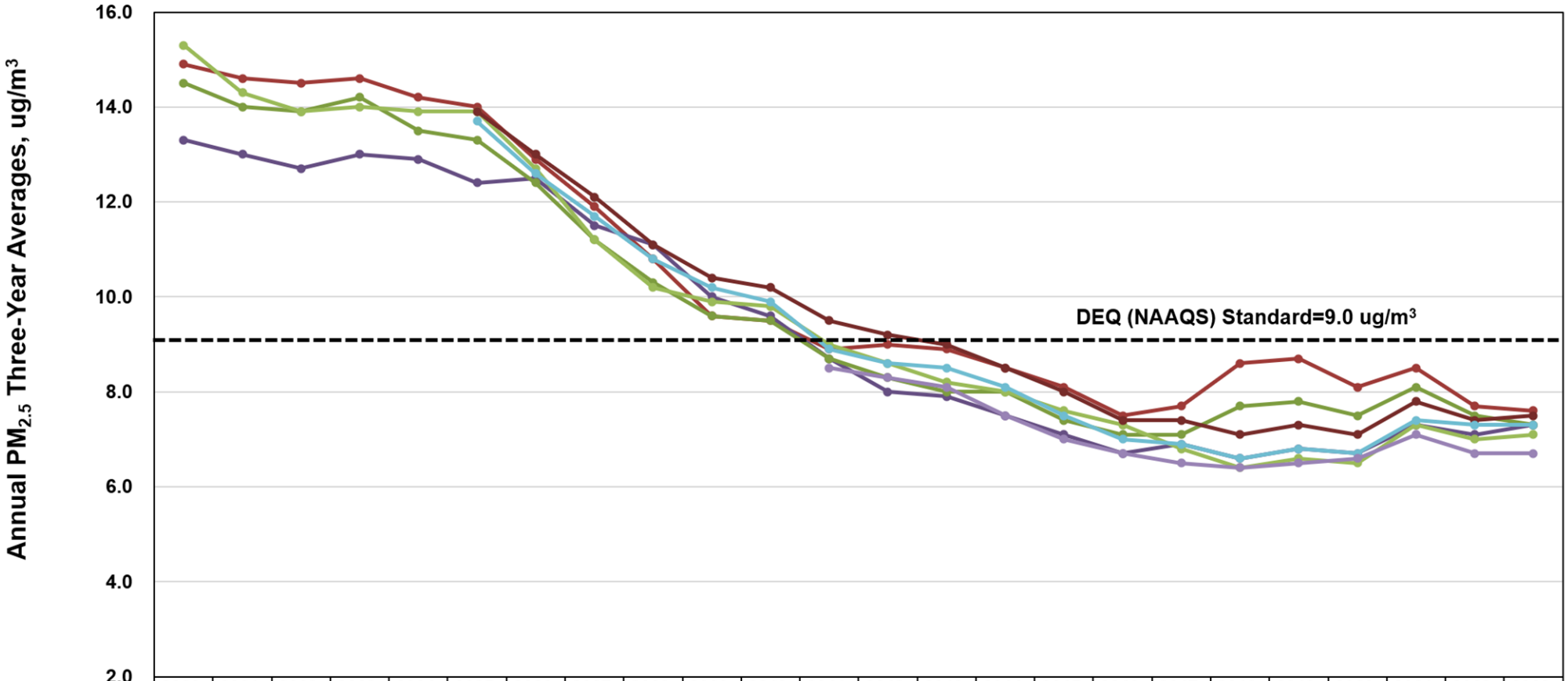
Code Orange: "Unhealthy for Sensitive Groups", 8 hr. avg. 71-85 ppb

Code Red: "Unhealthy", 8-hr. avg. 86-105 ppb

Code Purple: "Very Unhealthy", 8 hr. avg. 106-200 ppb

DEQ

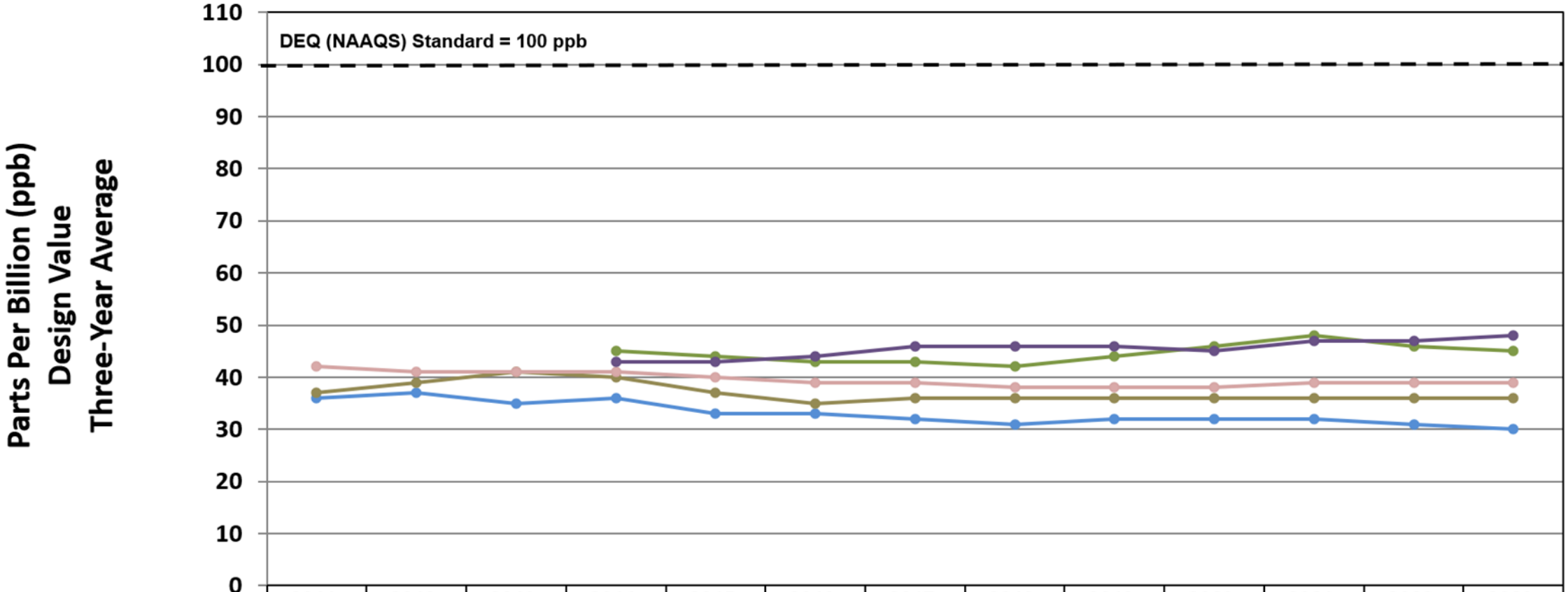
Virginia Fine Particulate Matter Standard Trends



	2000-2002	2001-2003	2002-2004	2003-2005	2004-2006	2005-2007	2006-2008	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013	2012-2014	2013-2015	2014-2016	2015-2017	2016-2018	2017-2019	2018-2020	2019-2021	2020-2022	2021-2023	2022-2024	2023-2025
NoVa	14.9	14.6	14.5	14.6	14.2	14.0	12.9	11.9	10.8	9.6	9.5	8.9	9.0	8.9	8.5	8.1	7.5	7.7	8.6	8.7	8.1	8.5	7.7	7.6
Va Beach - Chesapeake MSA	13.3	13.0	12.7	13.0	12.9	12.4	12.5	11.5	11.1	10.0	9.6	8.7	8.0	7.9	7.5	7.1	6.7	6.9	6.6	6.8	6.7	7.3	7.1	7.3
Richmond	14.5	14.0	13.9	14.2	13.5	13.3	12.4	11.2	10.3	9.6	9.5	8.7	8.3	8.0	8.0	7.4	7.1	7.1	7.7	7.8	7.5	8.1	7.5	7.3
Southwest Virginia	15.3	14.3	13.9	14.0	13.9	13.9	12.7	11.2	10.2	9.9	9.8	9.0	8.6	8.2	8.0	7.6	7.3	6.8	6.4	6.6	6.5	7.3	7.0	7.1
Winchester						13.9	13.0	12.1	11.1	10.4	10.2	9.5	9.2	9.0	8.5	8.0	7.4	7.4	7.1	7.3	7.1	7.8	7.4	7.5
Harrisonburg						13.7	12.6	11.7	10.8	10.2	9.9	8.9	8.6	8.5	8.1	7.5	7.0	6.9	6.6	6.8	6.7	7.4	7.3	7.3
Roanoke MSA												8.5	8.3	8.1	7.5	7.0	6.7	6.5	6.4	6.5	6.6	7.1	6.7	6.7

DEQ

Virginia Nitrogen Dioxide (NO_2) Standard Trends



	2011-2013	2012-2014	2013-2015	2014-2016	2015-2017	2016-2018	2017-2019	2018-2020	2019-2021	2020-2022	2021-2023	2022-2024	2023-2025
Roanoke MSA	36	37	35	36	33	33	32	31	32	32	32	31	30
Harrisonburg	37	39	41	40	37	35	36	36	36	36	36	36	36
Va Beach – Chesapeake MSA	42	41	41	41	40	39	39	38	38	38	39	39	39
Richmond				45	44	43	43	42	44	46	48	46	45
NoVa				43	43	44	46	46	46	45	47	47	48

Data Center Air Monitoring Project

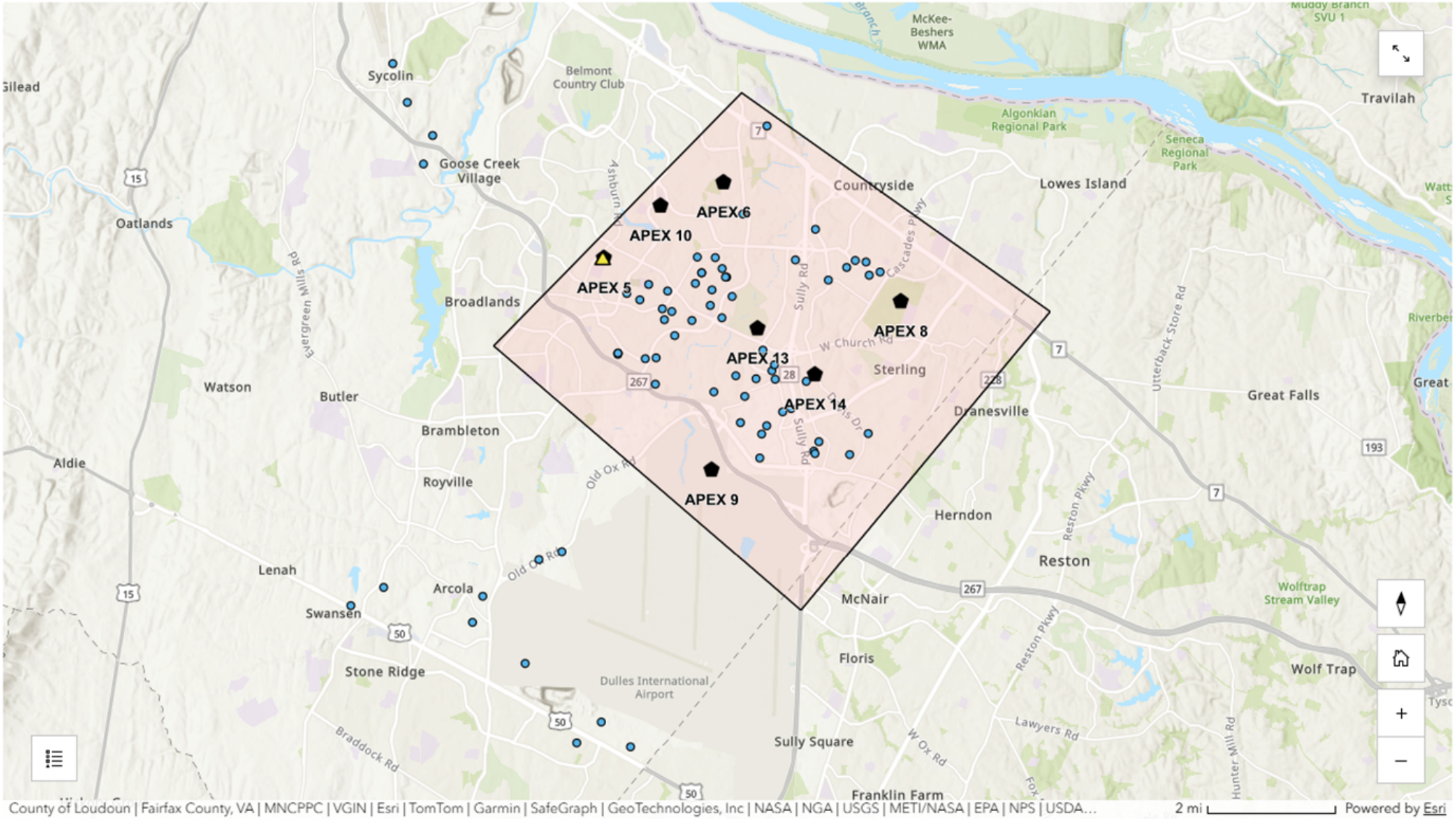
DEQ is conducting a special data center air monitoring project through a grant from EPA in response to the rapid growth of data centers in Northern Virginia and community concerns for **emissions** from back up generators and/or natural gas fired turbines at those data centers.

The goal of the special project is to determine if additional air monitoring is needed in areas containing high numbers of data centers. The project area will include Loudoun and Prince William Counties—two Virginia counties containing a high concentration of data centers.

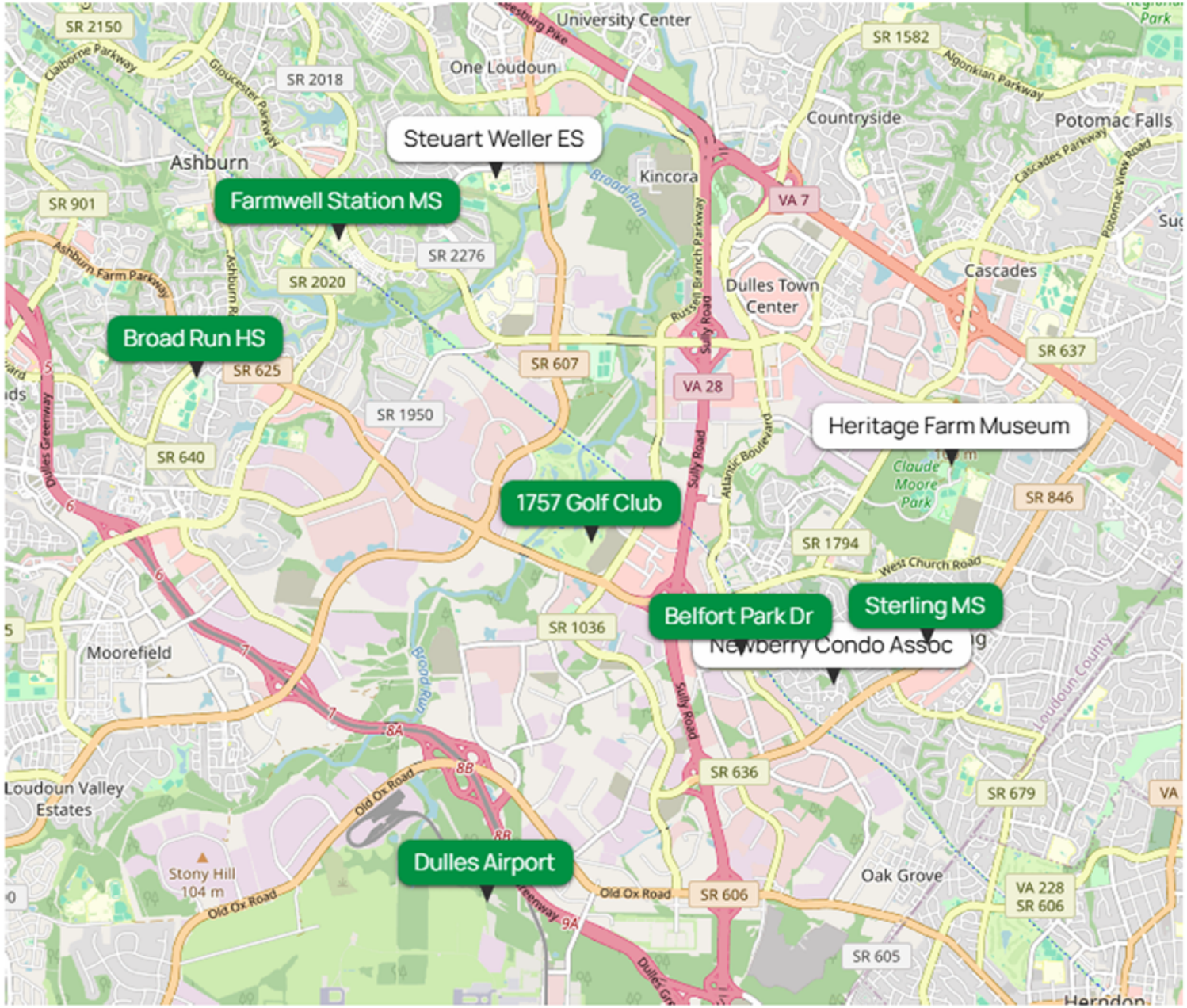


The project will consist of several phases. In the first phase, DEQ will set up a series of seven **air sensors** in Loudoun County's "data center alley." The sensors, which are capable of transmitting near-real-time data, will be periodically moved to new locations within the project area in order to increase coverage and to ultimately determine if there are any areas showing elevated levels of emissions of carbon monoxide (CO), nitrogen dioxide (NO_2), and particulate matter less than 2.5 microns ($PM_{2.5}$).

DEQ


APEX 6
APEX 10
APEX 5
APEX 8
APEX 13
APEX 14
APEX 9
Sycolin
Goose Creek Village
Belmont Country Club
McKee-Beshers WMA
Algonkian Regional Park
Seneca Regional Park
Travilah
Countryside
Lowes Island
Oatlands
Broadlands
Ashburn Rd
Sully Rd
Cascades Pkwy
Evergreen Mills Rd
Watson
Butler
Brambleton
Aldie
Royville
Old Ox Rd
W Church Rd
Sterling
Dranesville
Great Falls
Utterback Store Rd
Riverbend
Great
Herndon
Reston
Reston Pkwy
Wolftrap Stream Valley
Wolf Trap
McNair
Floris
Lenah
Swansen
Arcola
Stone Ridge
Dulles International Airport
Braddock Rd
Lawyers Rd
W Ox Rd
Hunter Mill Rd
Sully Square
Franklin Farm
Muddy Branch SVU 1
Tysons
15
7
267
28
50
193
County of Loudoun | Fairfax County, VA | MNCPPC | VGIN | Esri | TomTom | Garmin | SafeGraph | GeoTechnologies, Inc | NASA | NGA | USGS | METI/NASA | EPA | NPS | USDA...
2 mi
Powered by Esri

DEQ


Steuart Weller ES
Farmwell Station MS
Broad Run HS
1757 Golf Club
Heritage Farm Museum
Belfort Park Dr
Sterling MS
Newberry Condo Assoc
Dulles Airport
University Center
One Loudoun
Ashburn
Kincora
Countryside
Potomac Falls
Cascades
Dulles Town Center
Moorefield
Loudoun Valley Estates
Stony Hill
104 m
Oak Grove
Herndon
SR 2150
SR 2018
SR 1582
SR 901
SR 2276
SR 2020
VA 7
SR 637
SR 625
SR 607
VA 28
SR 1950
SR 640
SR 846
SR 1794
SR 1036
SR 636
SR 679
SR 606
SR 605
VA 228
SR 606
Claiborne Parkway
Gloucester Parkway
Ashburn Farm Parkway
Broad Run
Russell Branch Parkway
Sully Road
Cascades Parkway
Potomac View Road
Atlantic Boulevard
Claude Moore Park
West Church Road
Loudoun County
Dulles Greenway
Old Ox Road
8A
8B
9A

DEQ

Data Center Gen-set Database

- In development – schedule – December 2026
- Comprehensive GIS-based database of data centers and data center gen-sets
- Will include on-line portal for data centers to report gen-set operating data (hours, fuel, reason for operation, etc.)
- Will include on-line portal for the public to view the data
- Will provide emission estimates for user-supplied (public) operating scenarios

Acronyms

- EPA – Environmental Protection Agency
- NSR – New Source Review
- ULSD – Ultra Low Sulfur Diesel
- AQM – Air Quality Monitoring
- MCRT – Maintenance Checks and Readiness Testing
- AQI – Air Quality Index
- ISO – Independent System Operator
- PJM – PJM (**P**ennsylvania-New **J**ersey-**M**aryland) Interconnection LLC
- DOD – Department of Defense
- GIS – Geographic Information System
- O&M – Operating and Maintenance procedures
- MW – megawatts
- ug/m3 – micrograms per cubic meter
- ppb – parts per billion
- g/hp-hr – grams per horsepower-hour

DEQ

QUESTIONS?



Comprehensive Climate Action Plan

State Air Pollution Control Board Briefing

Tom Ballou

Air Quality Planning Manager

Virginia Department of Environmental Quality

Aug. 18, 2026

Climate Pollution Reduction Grant (CPRG) Overview

Climate planning and mitigation program administered by EPA

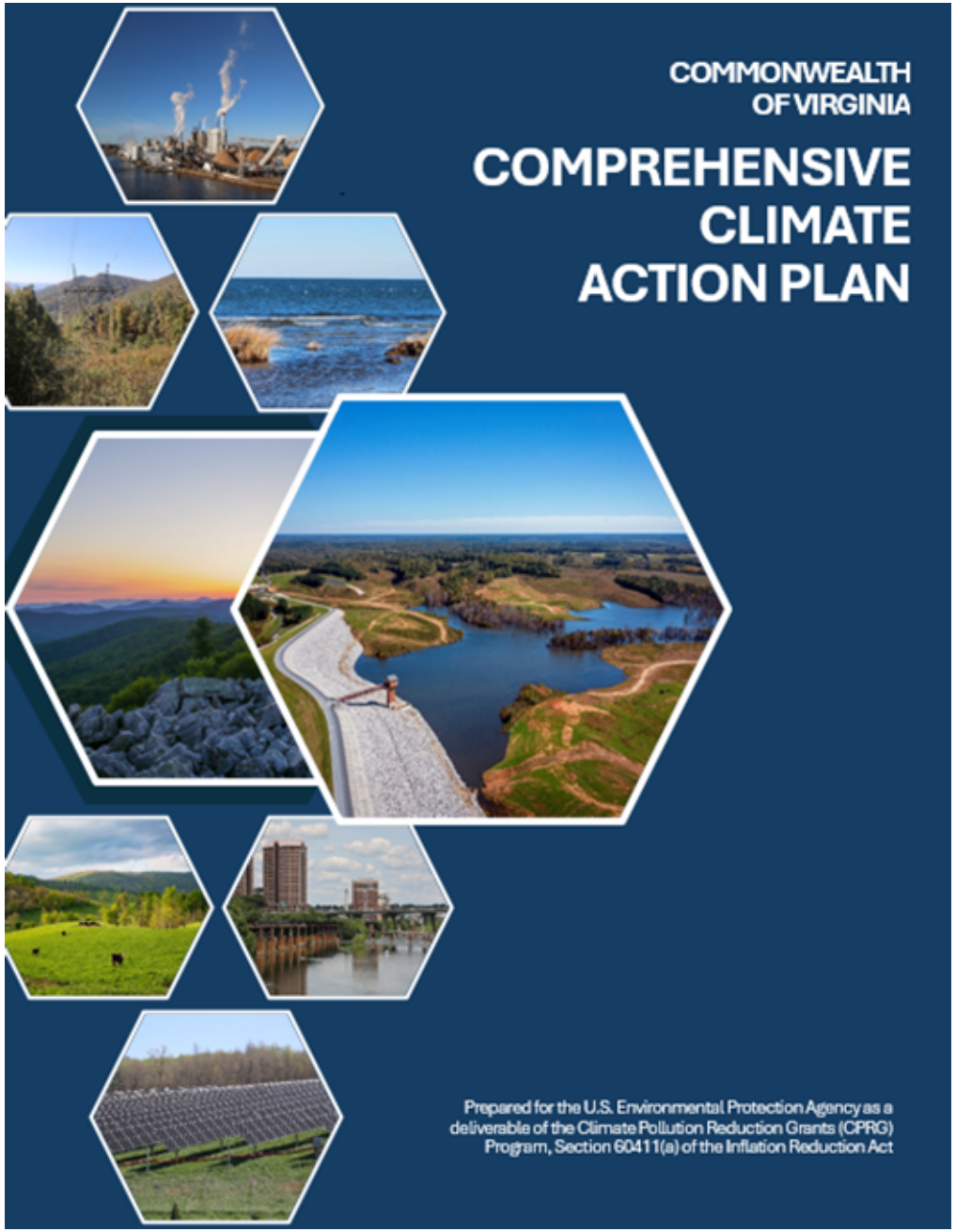
- **$3 million statewide planning grant** awarded to DEQ in July 2023
  - Priority Climate Action Plan (PCAP)
    - 5-year plan, submitted March 2024
    - Enabled applications for implementation grant
  - Comprehensive Climate Action Plan (CCAP)
    - 25-year plan, **Submitted on June 1, 2026**
  - Status Report
    - Due June 30, 2027 (subject to change)
- **~$197 million in project implementation grants** awarded to DEQ in July 2024



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CCAP Overview

A long-term Virginia specific roadmap to reduce GHG emissions over 25 years



CCAP Engagements

4 Virginia's Tribes

3 Localities, Regional Groups

5 General Public



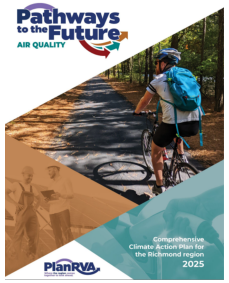
2 State Agencies

6 Colleges, Universities, High Schools

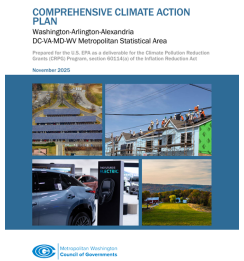
1 Stakeholder Group

7 Focused Communities

Metropolitan Statistical Area Climate Plans



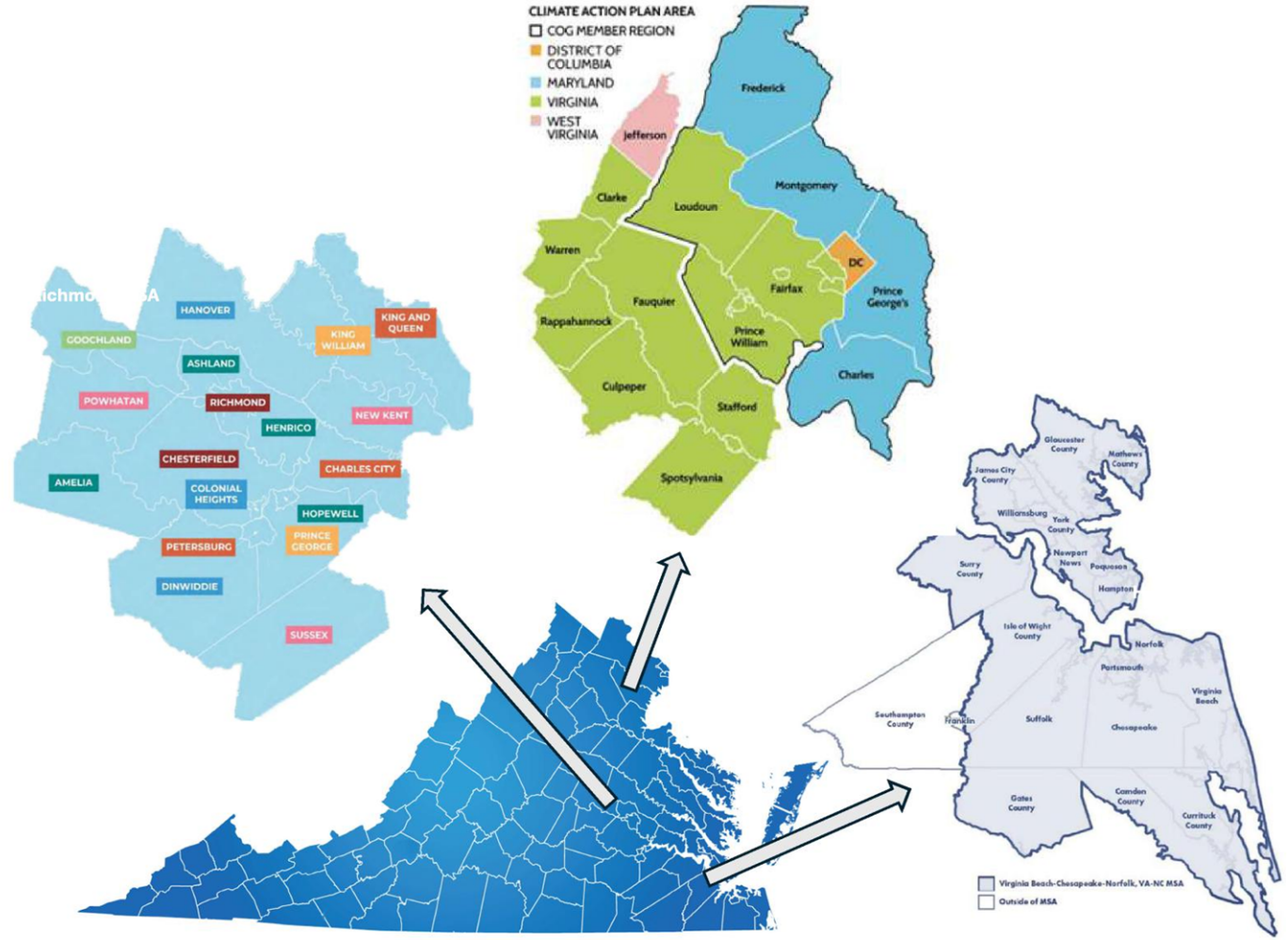
- PlanRVA (Greater Richmond Area)



- Metropolitan Washington Council of Governments



- Hampton Roads Planning District Commission



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Focused Communities

9 Community Tabling Events

Multilingual CCAP Survey Outreach

Not pictured: City of Roanoke & Town of Staunton



Northampton Co.


Richmond City


Danville City



Bristol City



Accomack Co.


Nelson Co.



Wise Co.

DEQ

What's in the Virginia CCAP

Major CCAP elements:

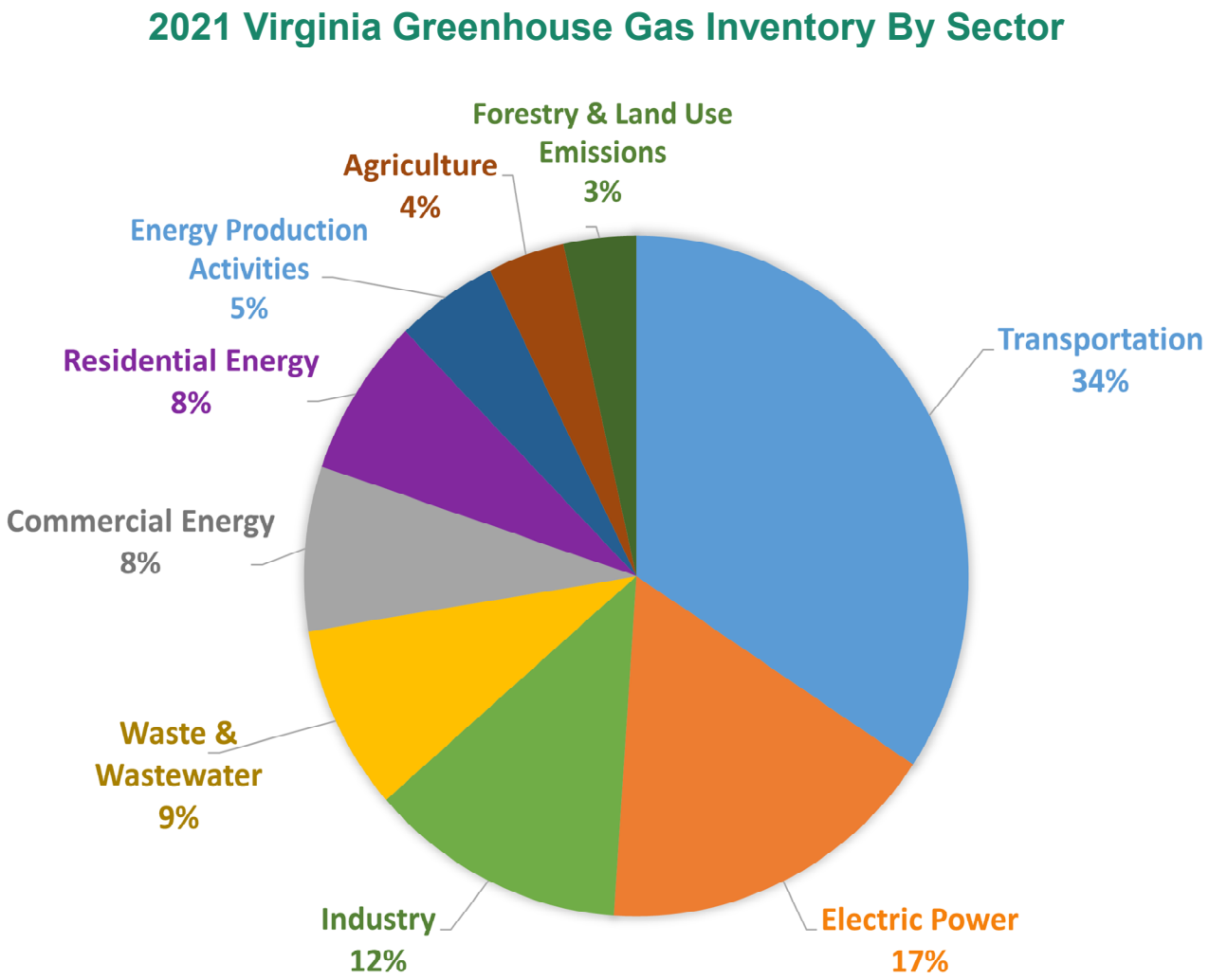
- Statewide GHG inventory and projections (Business-As-Usual)
- GHG reduction targets or goals (at a minimum economy-wide)
- Quantified potential GHG reduction measures for all sectors
- Benefits analysis (criteria air pollutants)
- Workforce planning analysis
- Review of existing or additional authority needed to implement
- Intersection with other funding opportunities





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Virginia's 2021 GHG Emissions Inventory



Sector	Percent	Emissions in $MMTCO_2e$
Transportation	34%	50.11
Electric Power	17%	24.43
Industry	12%	18.23
Waste & Wastewater	9%	12.86
Commercial	8%	11.42
Residential	8%	11.02
Energy Production Activities	5%	7.27
Agriculture	4%	5.44
Forestry/Land Use Emissions	3%	5.15
Gross Total	**100%**	**145.93**
Forestry/Land Use Sinks	**-36%**	**-52.48**
Net Total	**100%**	**93.45**

$MMTCO_2e$: Million metric tons of carbon dioxide equivalent

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VA-Specific BAU Projections

Analysis to assess the impacts of State-specific and federal policies and scenarios currently on the books:

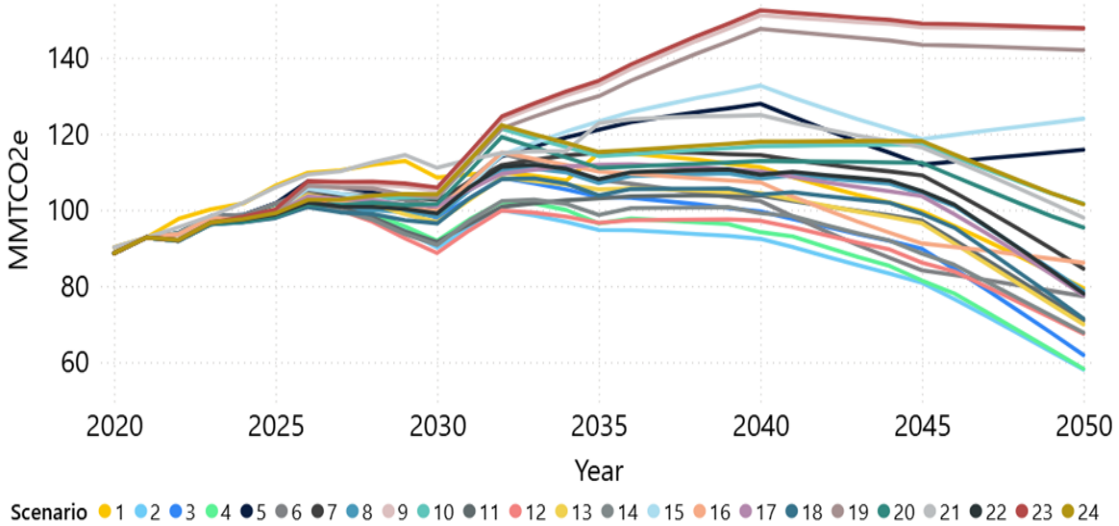
- VCEA and RGGI requirements (combining to reach net zero emissions from in-state generators by 2050)
- Anticipated Data Center Load Growth in Virginia
- EPA Clean Air Act (CAA) Section 111(b) and 111(d) power sector emission regulations*
- Inflation Reduction Act (IRA) Tax Credits for clean generation and electric vehicles*
- 2024 EPA Vehicle Emission Standards*

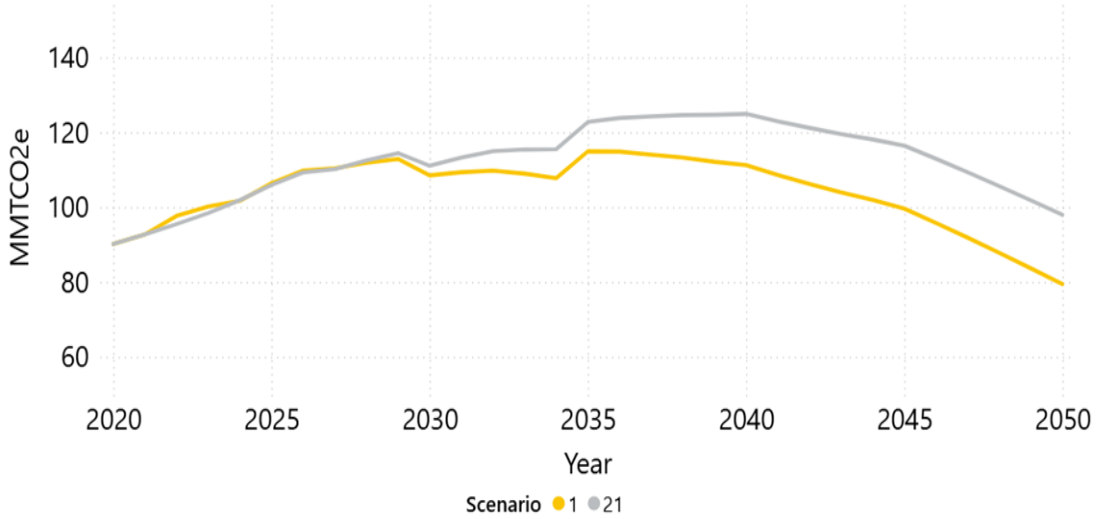
***These federal programs are uncertain!**

DEQ

VA-Specific BAU Projections (Dashboard Demo)

- 24 potential BAU scenarios were identified based on the various program combinations in place
- DEQ chose scenarios 1 and 21 as the most reflective of the late 2025 policy environment for further analysis
- **Scenario 1: (All federal programs)**
  - 15.5% decrease from Virginia's baseline 2021 net GHG emissions
- **Scenario 21: (No federal programs)**
  - 4.1% increase from Virginia's baseline 2021 net GHG emissions





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Virginia Climate Statues, Goals, and Authorities

- **Virginia Energy Policy Goal**
  - Establish GHG emission reduction standards across all sectors of the economy to target net-zero carbon emissions by 2045
- **Virginia Clean Economy Act Requirement**
  - Require 100% generation of electricity from renewable and zero carbon sources from regulated utilities by 2045 (Phase I) and 2050 (Phase II)
  - Does contain a reliability exception provision
- **Virginia Clean Economy Act Requirement**
  - Establish clean energy standards for the power sector to reach net-zero carbon emissions by 2040
- **DEQ Statement of Policy**
  - "To address climate change by developing and implementing policy and regulatory approaches to reducing climate pollution and promoting climate resilience in the Commonwealth..."
- **Regional Greenhouse Gas Initiative**
  - Multi-state market-based carbon trading program to cap and reduce GHG emissions from the power sector while generating funds for climate related programs

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GHG Emissions Reduction Analysis

- 15 separate GHG reduction measures selected for evaluation
- Covers all GHG emission sectors
- Two GHG reduction scenarios analyzed
  - Low scenario reflecting a moderate (~50%) reduction effort to the economy wide net-zero goal
  - High scenario that meets the net-zero goal in 2045
- Only the Net-Zero scenario was included in the final plan
- Benefits, costs, and workforce analyses also completed
- The final plan was submitted to EPA on June 1

DEQ

CCAP GHG Reduction Measures

Transportation 	1. Reduce GHG emissions from the on-road and off-road transportation sectors through vehicle electrification, electric vehicle (EV) infrastructure, and zero- and low-carbon fuels. 2. Invest in public and alternative modes of transportation statewide to reduce vehicle miles traveled (VMT).
Clean and Reliable Energy 	3. Deploy on-site renewable energy generation at residential, commercial, industrial, and agricultural facilities. 4. Expand large-scale clean power generation to reduce GHG emissions from nonrenewable resources. 5. Improve electric grid reliability and security.
Industry 	6. Identify and implement strategies to reduce GHG emissions in manufacturing and industrial processes, materials, and products.
Buildings 	7. Increase residential, commercial, and industrial building energy efficiency and implement GHG emission reduction solutions. 8. Reduce GHG emissions from data centers.

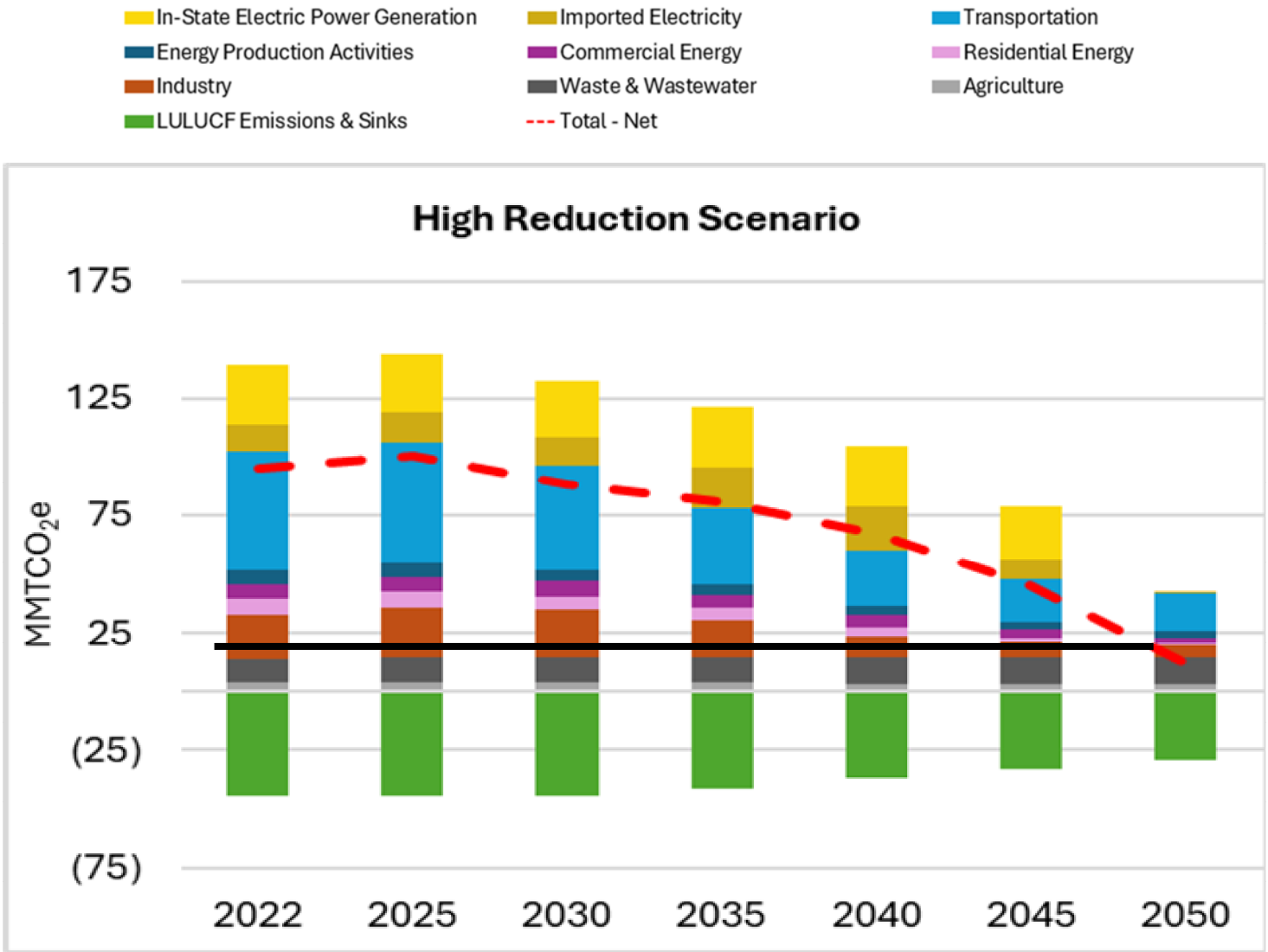
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CCAP GHG Reduction Measures

Waste 	9. Identify and implement strategies to reduce high-potency GHG emissions from waste and wastewater treatment.
Energy Production 	10. Identify and implement strategies to reduce high-potency GHG emissions from fossil fuel energy production.
Agriculture 	11. Incentivize and implement climate-smart agricultural practices.
Natural and Working Lands 	12. Protect and restore high-carbon coastal habitats, wetlands, forests, and agriculture across public, private, and tribal lands. 13. Protect and restore green spaces, urban tree canopy, and sensitive land areas.
Multi-Sector 	14. Offset GHG emissions in the industrial and commercial sectors by implementing on-site carbon capture through technological and natural land-based initiatives. 15. Develop, incentivize, and support locality- and community-based greenhouse GHG reduction efforts.

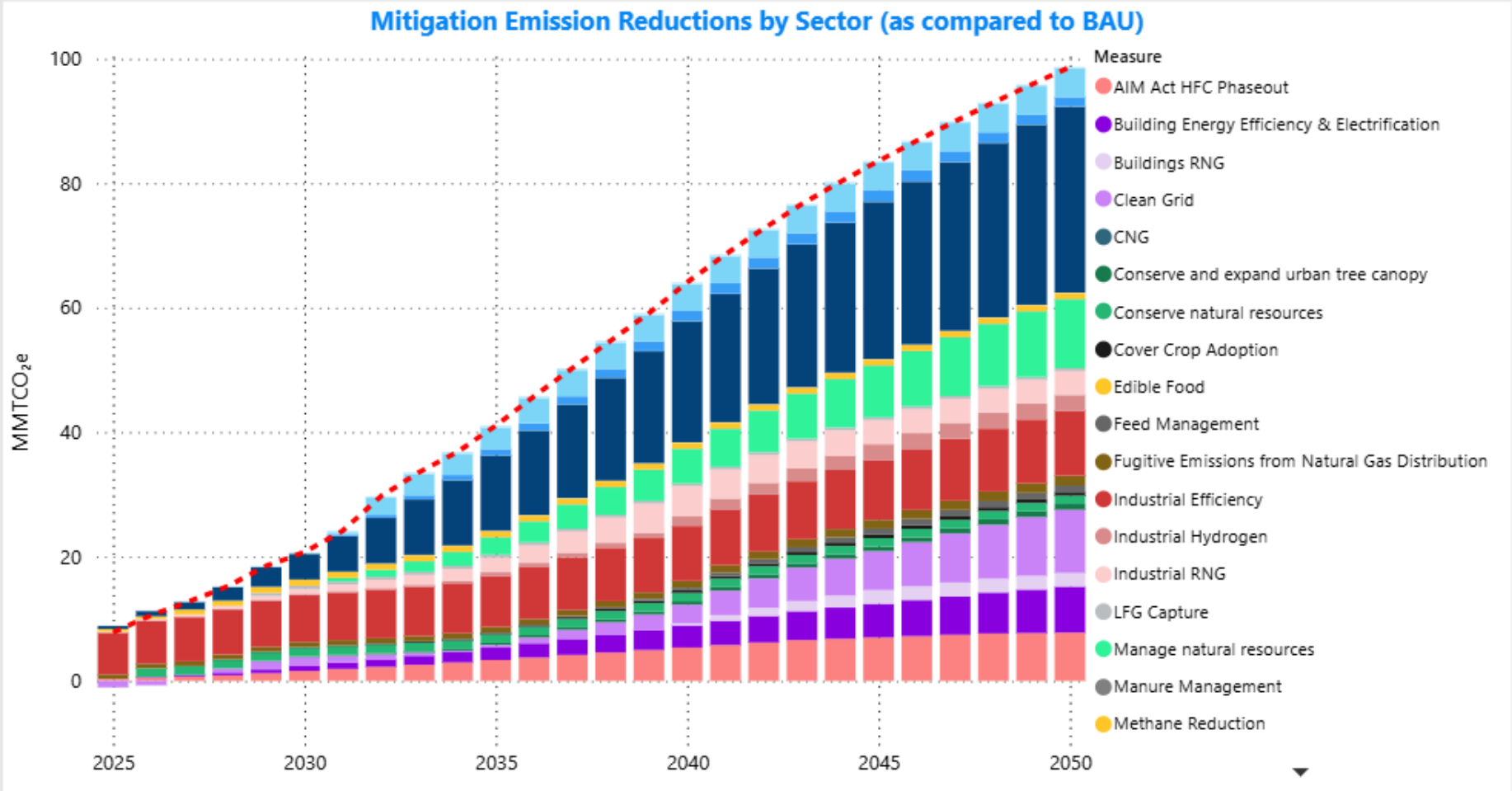
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Net-Zero GHG Emissions Reduction Analysis



DEQ

GHG Emissions Reduction Measure Contributions



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VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY

BACKGROUND SLIDES

CPRG Accomplishments Implementation Grants

- DEQ submitted 3 grant applications to EPA on April 1, 2024 (2 directly, 1 multi-state coalition)
- Applications submitted for:
  - Transportation decarbonization projects
  - Priority methane reduction projects
  - Natural & working lands projects (multi-state)
- EPA received ~300 applications
- 2 Virginia applications were selected for ~$200 million in total funding for methane reduction and natural lands projects
- Only 1 of 3 states to receive more than one grant



CPRG Accomplishments
Methane Reduction Grant

- Priority Methane Reduction Projects in Virginia
- Coalition application with Virginia Energy
- $100 million awarded for three distinct projects:
  - Coal mine methane capture & utilization (VE - $80 million)
  - Landfill methane capture (DEQ - $10 million)
  - Food rescue and composting (DEQ - $10 million)
- Cumulative methane emission reductions expected
  - 24.8 million metric tons CO_2E by 2050





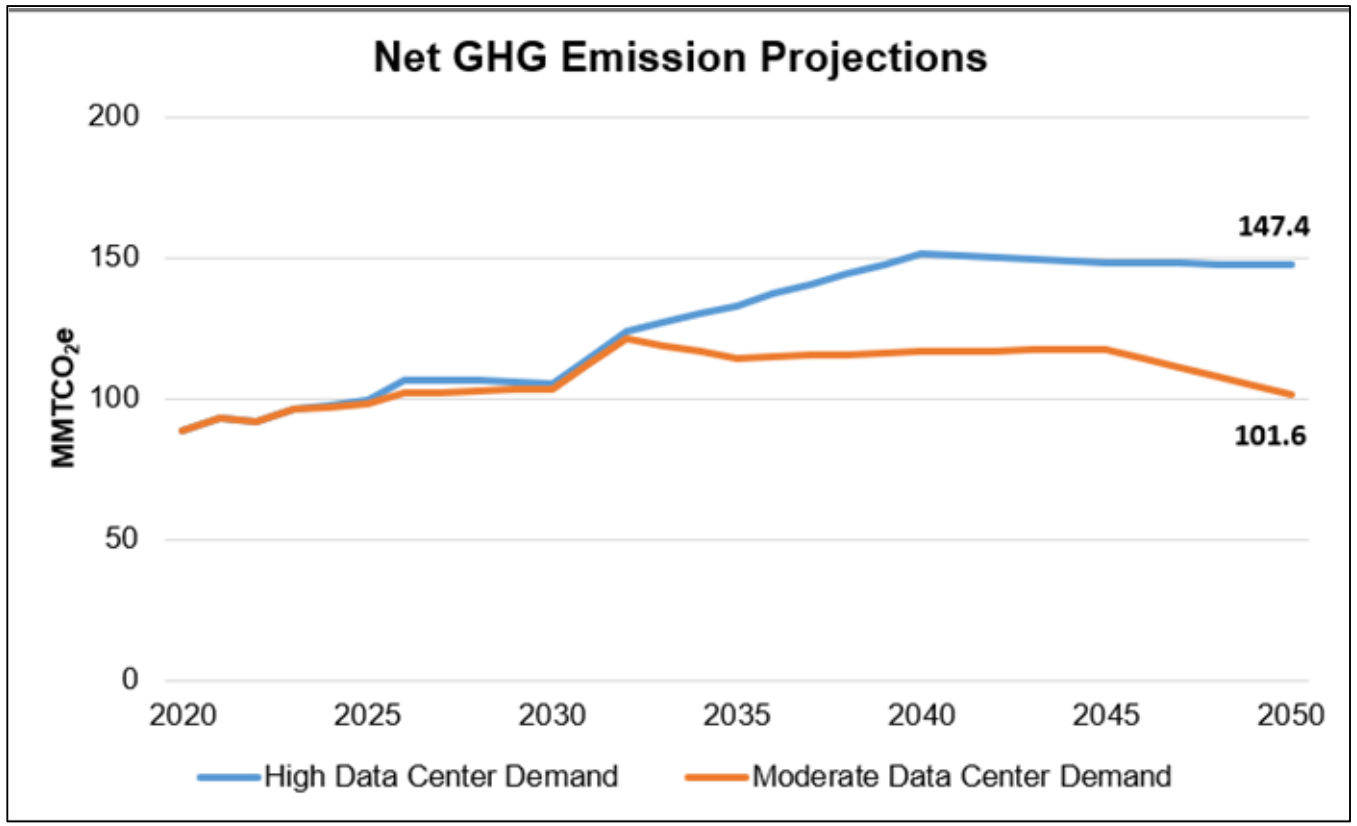
CPRG Accomplishments
Natural/Working Lands Grant

- Atlantic Conservation Coalition (ACC) application submitted by North Carolina
  - Multi-state coalition between NC, VA, SC, MD
- To fund conservation and restoration projects for wetlands, coastal habitats, and forests
- A total of about $100 million in Virginia
  - Ten projects to implemented by DWR, VPA, and on tribal lands ($50 million)
  - Additional regional projects to be implemented by TNC ($48 million)
- Cumulative methane emission reductions
  - 24.8 million metric tons CO_2E by 2050



BAU Consideration - Data Center Demand

- **Scenario 9** reflects the highest data center demand growth modeled
  - No state or federal policies in place, low EV sales projections, and full PJM 2025 data center load forecast extended to 2050
- **Scenario 10** reflects moderate data center demand growth
  - No state or federal policies in place, low EV sales projections, and the PJM 2025 load forecast including only data centers with established electric service contracts



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Questions?

Resumption of Virginia Participation in Regional Greenhouse Gas Initiative (RGGI)

State Air Pollution Control Board Meeting

Jonathan Rak
Deputy Director
Virginia Department of Environmental Quality
Aug. 18, 2026

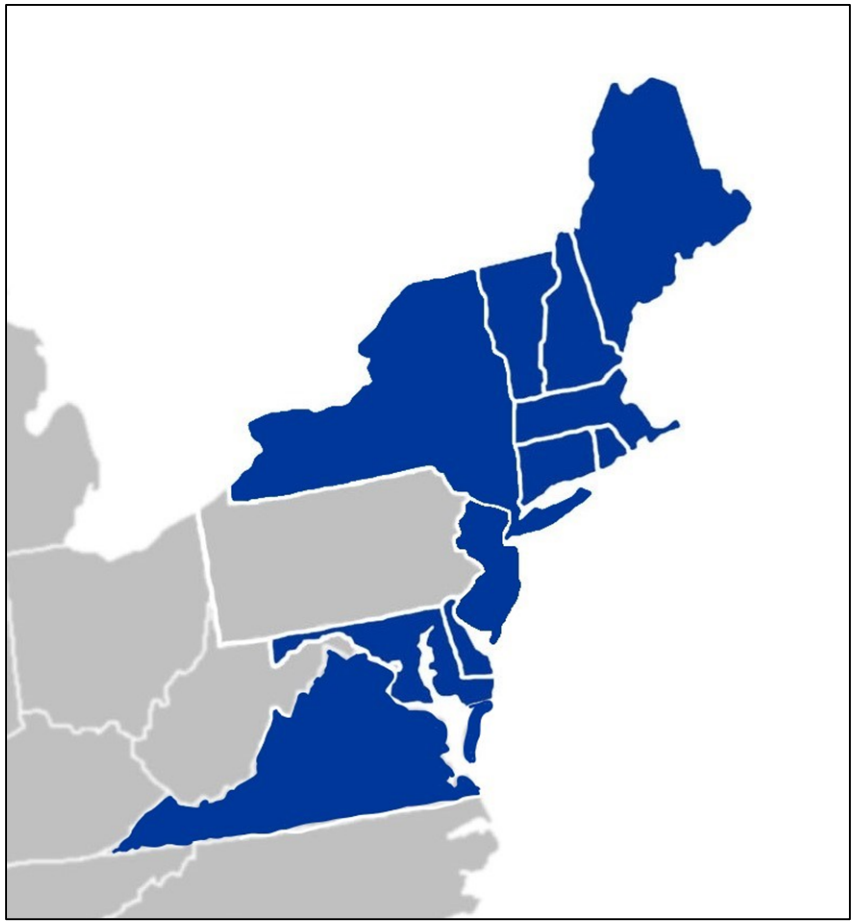
Presentation Topics

- RGGI program introduction/overview
- 2026 legislation & first regulatory action
- RGGI program review
- Next regulatory action
- Auction proceeds distribution

DEQ

RGGI Program Overview

- Cooperative effort to reduce CO_2 emissions from the power sector
- Each state develops its own cap-and-invest program to reduce emissions over time
- Individual programs are similar enough to allow for allowance fungibility, regional auctions, and other cooperative elements



DEQ

RGGI Regional Program Overview

Regional cap-and-invest program	• Limits CO_2 emissions from power plants through a declining regional cap.
Market-based allowance auctions	• Power plants purchase allowances for each ton of CO_2 emitted.
State investment of auction proceeds	• Funds support energy efficiency, climate change adaptation, renewable energy, and consumer benefit programs.
Emissions reductions	• Participating states have achieved major declines in power-sector carbon pollution since 2009.
Economic & public health benefits	• Investments have reduced energy costs, created jobs, and improved air quality.

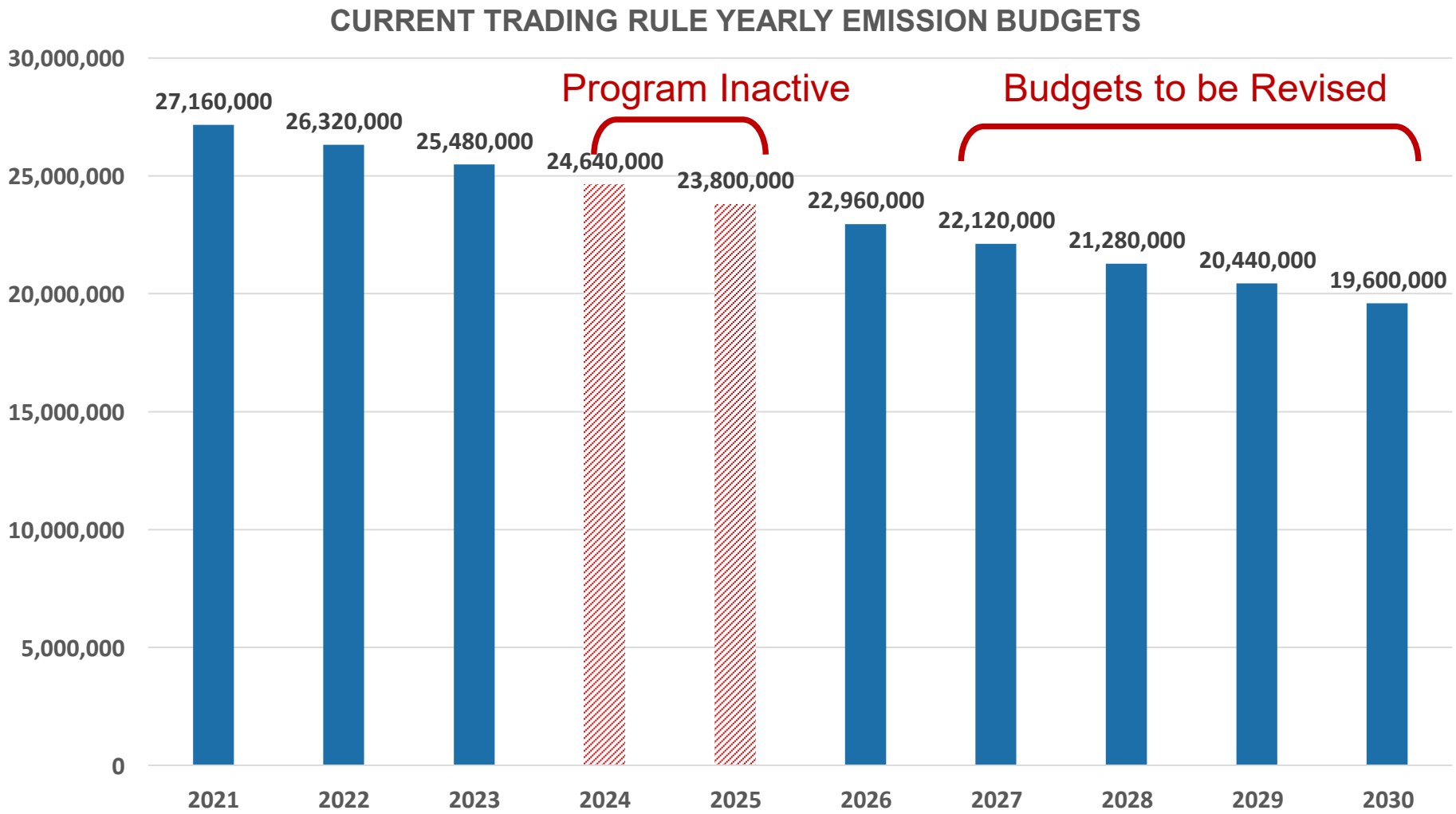
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Virginia Carbon Trading Rule Basics (9VAC5-140)

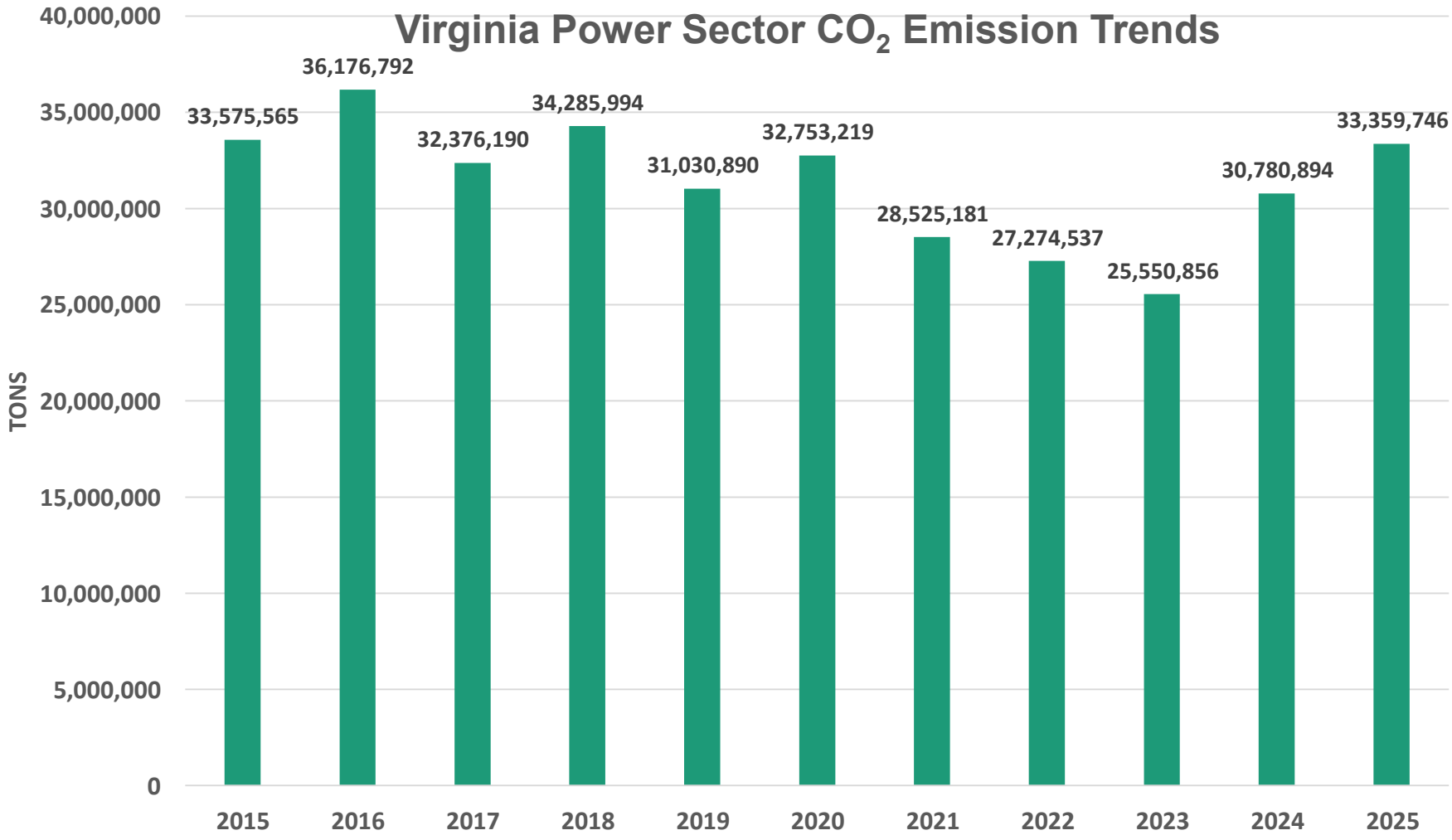
- Covers fossil fuel-fired units that serve an electricity generator ≥ than 25 MWe - 88 units at 25 existing sources in Virginia
- Decreasing CO_2 emissions budgets over time
- Allowances offered for sale in quarterly auctions
- System for banking and trading of allowances
  - Sources purchase allowances to cover emissions for compliance
  - One allowance = one ton of CO_2
  - Unused allowances can be banked or traded
- Compliance normally on a three year “control period” basis

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Virginia Carbon Trading Rule – Yearly Emission Budgets



DEQ



Source: [EPA CAMD Database]

Virginia Program History and Current Situation

- Virginia participated in RGGI from 2021 to 2023
- Carbon trading program was inactive in 2024 to 2025 per Executive Order 9 of the Youngkin Administration
- 2026 legislation directs DEQ to rejoin RGGI expeditiously through two regulatory actions
    1. Reinstate trading rule with amendment to address the non-participation years within 90 days, then
    2. Revise the rule to align with the recent RGGI program review and updated model rule update by the end of the year
- Lawsuit initiated which ultimately ruled against the repeal action

2026 General Assembly Legislation

- **HB397/SB802**: Revision to the original 2020 statute strengthening the link to RGGI
  - *"The Director ~~is hereby~~ ~~authorized~~ ~~to~~ **shall** establish, implement, and manage an auction program to sell allowances into a market-based trading program consistent with the RGGI…"*
- **House Bill 29 (HB29) Amendments to Virginia's 2024-2026 Biennial Budget**
  - Directs DEQ to "take all actions necessary to rejoin the Regional Greenhouse Gas Initiative..." by May 21, 2026
  - "*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…"*
  - *"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..."*

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First Regulatory Action

First regulatory action by DEQ published in the Virginia Register on 5/18/26:

- Specifying Virginia's Budget Trading Program was not active from Jan. 1, 2024, to June 30, 2026 with no compliance obligation
- Creating a one-time six-month control period from July 1, 2026, to Dec. 31, 2026
- Adjusting the base budget and allowances for calendar year 2026 to reflect participation in the program for a six-month period
- Including a crosswalk of repealed sections and reinstated sections to maintain consistency between citations in existing permits and the reinstated regulations
- Action exempt from the Administrative Process Act (APA) and action by the SAPCB

RGGI 2025 Program Review Summary

Update to Regional Allowance Budget

- Extends Program Definition from 2030 to 2037
- Cap definition diverges from previous setup starting in 2027
- Linear cap decline from 2027 (~70 Million tons) to 2033 (~18.5 Million tons)
- Cap decline flattens 2034 – 2037 and reaches ~9 Million tons in 2037)

Implements Additional Cost Containment Reserve (CCR)

- Second Tier CCR begins in 2027
- Starting in 2027, each CCR will contain 11.75 Million tons for ten participating states
- CCR1 trigger prices are consistent with current CCR definition at $19.50 in 2027, increasing at 7% annually
- CCR2 trigger prices start at $29.50 in 2027, increasing 7% annually

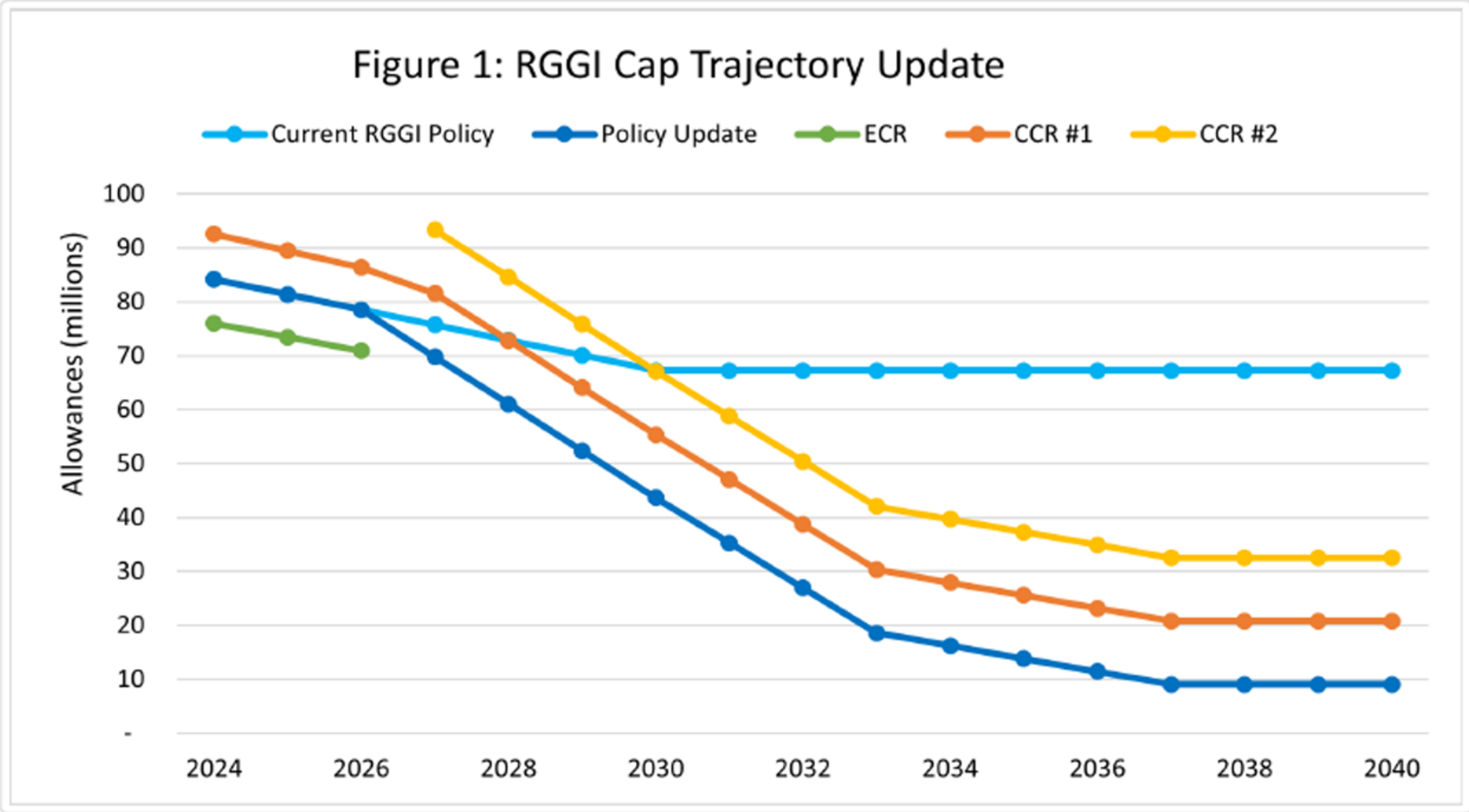
Replaces Emission Containment Reserve (ECR) with new Minimum Reserve Price

- ECR is replaced with Minimum Reserve Price starting in 2027
- Minimum Reserve Price starts at the current ECR trigger of $9 in 2027, rising 7% annually
- The new Minimum Reserve Price will prevent any allowances from being issued below the Reserve Price, rather than only withholding a part of the available allowances

Removes Offsets from Program Design

- Offsets will no longer be awarded to any projects, including those that previously qualified under the previous model rules
- Offsets allowances already issued can still be used for compliance based on current usage limitations

Major Program Review Components



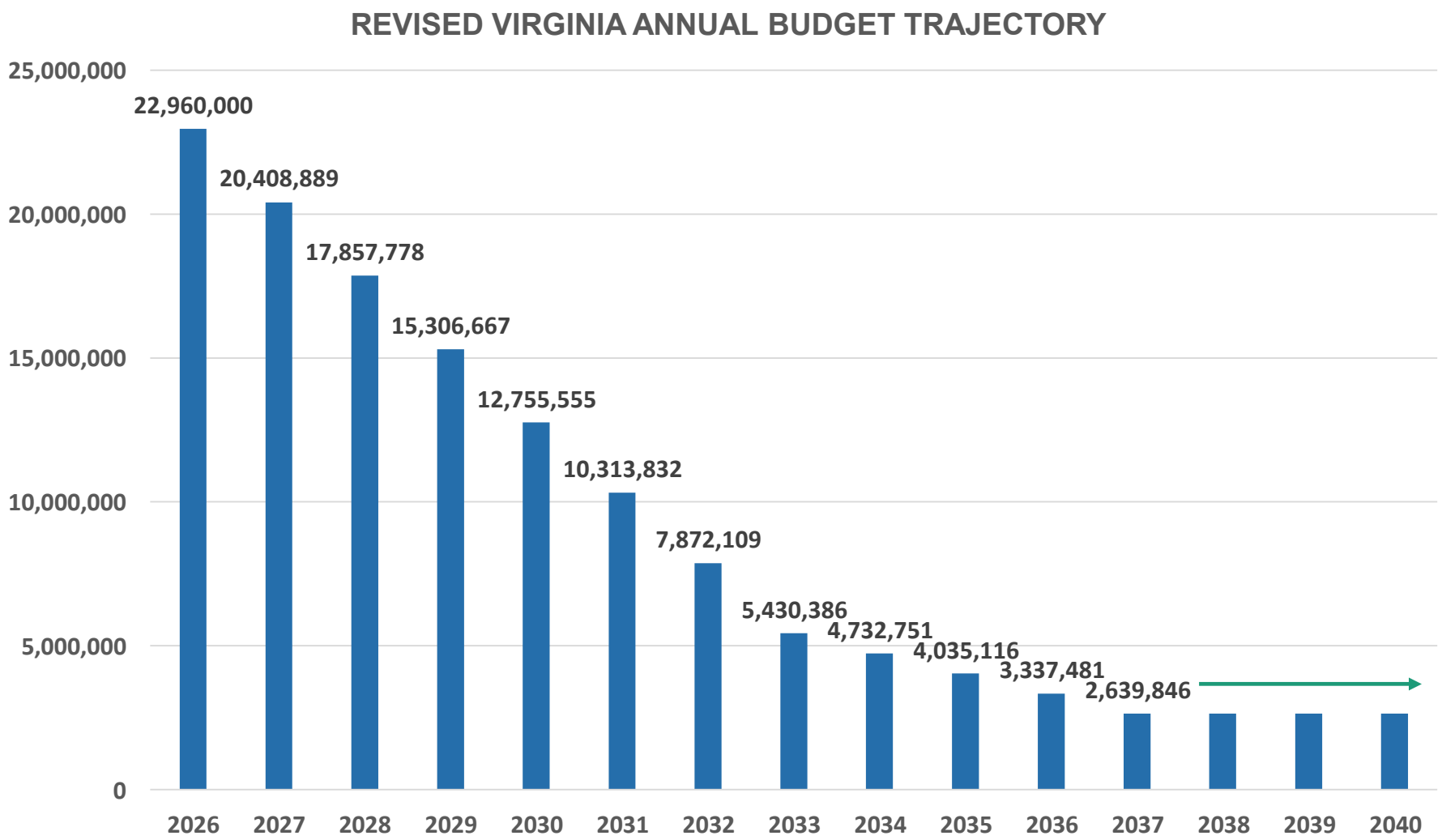
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Second Regulatory Action

- **House Bill 30 Amendments to Virginia's 2026-2028 Biennial Budget**
- DEQ must complete a second regulatory action
  - *"(iii) no later than January 1, 2027, updating, amending, or revising the regulation to align with the latest Regional Greenhouse Gas Initiative program review and revised model rule…"*
- This action will:
  - Revise Virginia budgets out to 2037 in line with regional reduction trajectory and targets
  - Add the second Cost Containment Reserve and triggers
  - Remove the Emissions Containment Reserve
- Action again exempt from the APA and SAPCB action

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Revised Viginia Annual Emission Budgets



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Key Dates in Virgina's Participation

- July 1, 2026: Virginia resumes participation and rule requirements apply to regulated sources
- Sept. 9, 2026: 2026 third quarter auction
- Dec. 2, 2026: 2026 fourth quarter auction
- March 2027: Surrender all allowances needed to cover the 2026 six-month control period (7/1/26 to 12/31/26)

Revision to the distribution of Auction Proceeds

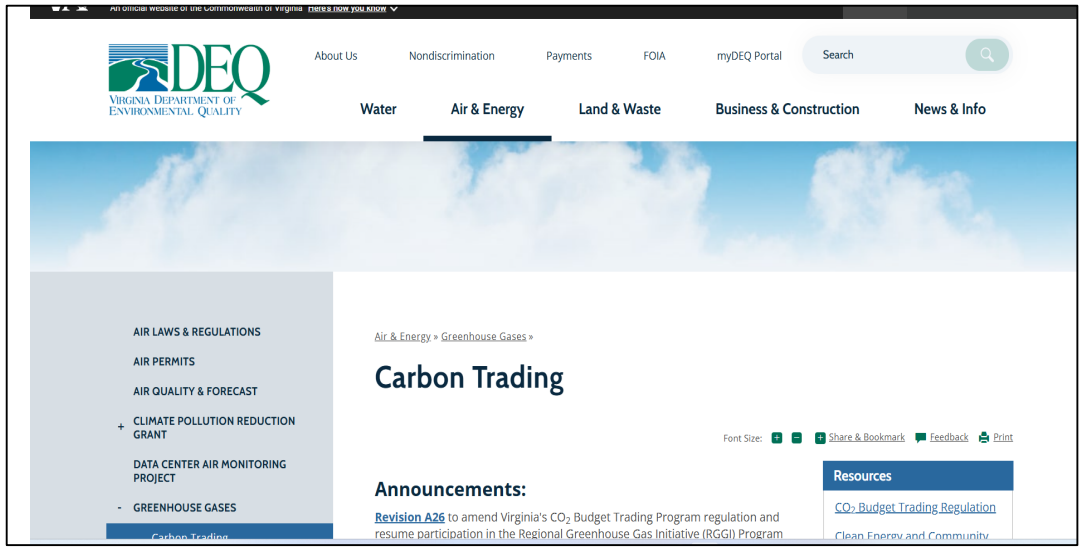
"Notwithstanding any other provision of law, beginning July 1, 2026, an amount equal to 45 percent of all revenue collected… for recovery of the costs of emissions allowances… shall subsequently distribute such funds received from the Commonwealth as a credit to its customers in the residential, Small General Service, and church classes in a manner approved by the Commission, including that such credit shall be reflected as a line item on the customer bill labeled RGGI Credit. Such credit shall only be distributed to Virginia customers."

Proceeds distribution:

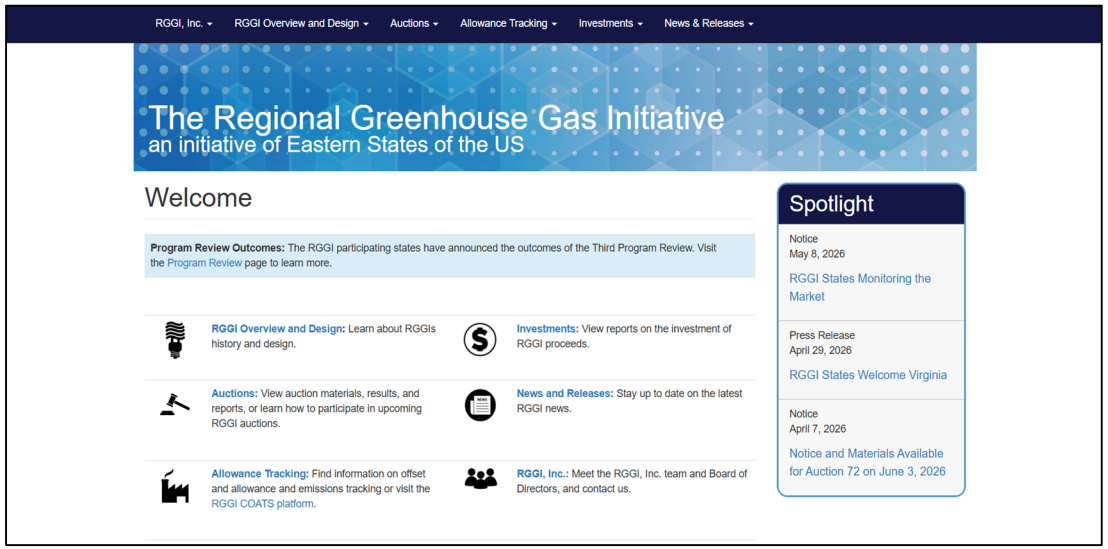
- **45% - Customer credits**
- **55% - Remaining Funds**
  - 45% - Flood preparedness and coastal resilience
  - 50% - Low-income energy efficiency programs
  - 3% - DEQ administrative costs and climate planning activities
  - 2% - DHCD administrative costs

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DEQ Carbon Trading Rule and RGGI Webpages



deq.virginia.gov/air-energy/greenhouse-gases/carbon-trading



rggi.org

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Questions?