

Office of Regulatory Management
Economic Review Form

Agency name	Department of Environmental Quality (“Department”)
Virginia Administrative Code (VAC) Chapter citation(s)	Primary: 9VAC15-40-10 Secondary: 9VAC15-60-10; 9VAC15-70-10 and 9VAC15-100-10
VAC Chapter title(s)	Small Renewable Energy Projects (Wind) Permit by Rule (9VAC15-40), Small Renewable Energy Projects (Solar) Permit by Rule (9VAC15-60), Small Renewable Energy Projects (Combustion) Permit by Rule (9VAC15-70), and Small Energy Storage Facilities Permit by Rule (9VAC15-100)
Action title	Incorporation of Interconnection Facilities Definition to Renewable Energy Wind, Solar, Combustion, and Energy Storage Regulations
Date this document prepared	May 15, 2026
Regulatory Stage (including Issuance of Guidance Documents)	Exempt Action

Cost Benefit Analysis

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

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

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

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

(1) Direct & Indirect Costs &	<u>Background</u> This regulatory action updates four Department of Environmental Quality (DEQ) Renewable Energy regulations by incorporating a
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<p>Benefits (Monetized)</p>	<p>definition for “interconnection facilities” in response to Chapter 710 of the 2025 Acts of Assembly (House Bill 2426). This action includes incorporating “interconnection facilities” into the definitions of “small wind energy project,” “small solar energy project,” “combustion energy project,” and “hybrid renewable energy and storage facility” for each permit by rule (PBR) regulation, and updating the “small renewable energy project” definition for the wind and combustion PBR regulations to be consistent with the wind and solar PBR regulations. The purpose of the proposed action is to amend the regulations to revise the regulations to be consistent with state law.</p> <p>Direct & Indirect Costs: The addition of “interconnection facilities” to the associated PBR regulations will provide clarity and certainty to project applicants, the Department, and other interested parties. There are no new direct or indirect costs associated with the proposed changes.</p> <p>Direct Benefits: The corrections to the definition sections of each renewable energy PBR regulation to ensure the regulations are consistent with state law. This regulatory action will ensure that project applicants, owners, the Department, and other interested parties are aware that interconnection facilities are part of the PBR authorization process.</p> <p>The Department is unable to quantify these benefits because they do not make any substantive changes to the regulation or its requirements as it reinforces the intent of the statute. The changes are beneficial since they improve the clarity of the regulations and make them consistent with state law.</p> <p>Indirect Benefits: These corrections will ensure that the regulated community understands the regulatory requirements.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs</p> <p>(a) No monetized direct or indirect costs associated with these regulatory changes.</p>	<p>Direct & Indirect Benefits</p> <p>(b) The Department is unable to quantify these benefits but the changes are beneficial since they improve the clarity of the regulations and make them consistent with state law.</p>
<p>(3) Net Monetized Benefit</p>	<p>Unknown (see discussion above).</p>	

(4) Other Costs & Benefits (Non-Monetized)	Unknown (see discussion above).
(5) Information Sources	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: The “status quo” option would be to continue to use the current definitions of “small renewable energy project” without the clarification of including the interconnection facilities, which is inaccurate. No direct costs will be occurred by the Department.</p> <p>Indirect Costs: The primary indirect costs with the “status quo” are the additional applicant, consultant and Department staff time to respond to inquiries from applicants and their consultants to determine if interconnection facilities are included in the PBR review and authorization. The Department is unable to quantify these costs.</p> <p>Direct Benefits: There are no benefits to maintaining incorrect information in the regulation.</p> <p>Indirect Benefits: There are not any indirect benefits to maintaining the status quo.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Unable to monetize indirect costs associated with the status quo.	(b) Unable to monetize direct and indirect benefits.
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	N/A	
(5) Information Sources	N/A	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	The Department is not aware of any alternatives to this regulatory change. The regulatory change is very limited in scope to include technical corrections for consistency with state law and other effective regulations of the Board.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	N/A	N/A
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	N/A	
(5) Information Sources	N/A	

Impact on Local Partners

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

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: There are no direct costs to local partners because this action does not change the existing responsibilities of the regulated communities or local governments. The amendments improve clarity and certainty for the regulated community, the Department, and other interested parties.</p> <p>Indirect Costs: There are no known indirect costs associated with the proposed changes.</p> <p>Direct Benefits: The Department is unable to quantify these benefits because they do not make any substantive changes to the regulation or its requirements as it relates to local governments.</p> <p>Indirect Benefits: These corrections will ensure that the regulated community and other interested parties understand the intent of the statute as carried out through the PBR regulations.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits

	(a) Unable to monetize direct and indirect costs.	(b) Unable to monetize direct and indirect benefits unable to quantify these benefits but the changes are beneficial since they improve the clarity of the regulations and make them consistent with state law.
(3) Other Costs & Benefits (Non-Monetized)	N/A	
(4) Assistance	N/A	
(5) Information Sources	N/A	

Impacts on Families

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

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: There are no direct costs that impact families associated with the proposed changes.</p> <p>Indirect Costs: There are no indirect costs that impact families associated with the proposed changes.</p> <p>Direct Benefits: There are no direct benefits that impact families associated with the proposed changes.</p> <p>Indirect Benefits: There are no indirect benefits that impact families associated with the proposed changes.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	N/A	
(4) Information Sources	N/A	

Impacts on Small Businesses

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

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	Small businesses would have the same impact as described in Table 1a above. The Department is unable to identify the number of small businesses that would benefit from this regulatory change.
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) No monetized direct or indirect costs associated with the regulatory changes.	(b) Unable to monetize direct and indirect benefits.
(3) Other Costs & Benefits (Non-Monetized)	N/A	
(4) Alternatives	N/A	
(5) Information Sources	N/A	

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

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

Change in Regulatory Requirements

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
9VAC15-40-10	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	0	0	0	0
9VAC15-60-10	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	0	0	0	0
9VAC15-70-10	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	0	0	0	0
9VAC15-100-10	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	0	0	0	0

	Grand Total of Changes in Requirements:	(M/A): 0
		(D/A): 0
		(M/R): 0
		(D/R): 0

Key:

Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:

(M/A): Mandatory requirements mandated by federal and/or state statute affecting the agency itself

(D/A): Discretionary requirements affecting agency itself

(M/R): Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies

(D/R): Discretionary requirements affecting external parties, including other agencies

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
9VAC15-40 9VAC15-60 9VAC15-70 9VAC15-100	This regulatory action will ensure that project applicants, owners, the Department, and other interested parties are aware that interconnection facilities are part of the PBR authorization process.			DEQ is unable to monetize direct and indirect benefits unable to quantify but the changes are beneficial since they improve the clarity of the regulations and make them consistent with state law.

Other Decreases or Increases in Regulatory Stringency (if applicable)

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

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

Title of Guidance Document	Original Length	New Length	Net Change in Length
N/A			