



Virginia Streamlines Battery Storage Permitting

March 2021

HB 2148

Status: Signed by the Governor

HB 2148 adds battery storage projects up to 150 MW to the state's "permit-by-rule" process administered by the Department of Environmental Quality ("DEQ"). The permit-by-rule provides a simple, low-cost, and streamlined method for permit approval that avoids the need for storage developers to apply for a permit with the State Corporation Commission ("SCC").

Background

Virginia Clean Economy Act

In 2020, Virginia passed the Clean Economy Act ("VCEA"), groundbreaking legislation that set the highest energy storage target in the nation at 3,100 MW. Read ESA's summary of the VCEA [here](#). In anticipation of the law's passage, Dominion Energy issued a Request for Proposal for 250 MW of energy storage resources in March of 2020, presenting an immediate significant opportunity for energy storage development in Virginia.

In December, the SCC issued [final rules](#) for the implementation of the VCEA's energy storage targets. The rules set interim targets for Dominion Energy and Appalachian Power to achieve the combined 3,100 MW target, as well as guidelines for competitive procurement and permitting of energy storage systems above 1 MW.

Existing Permit-By-Rule Program for Renewable Energy

Virginia originally established a permit-by-rule program for small renewable energy projects in 2009. The program was amended by the legislature several times over the last decade to include solar and wind projects up to 150 MW and small hydropower projects up to 20 MW. Under permit-by-rule, developers have greater certainty because a project is deemed approved if it contains all the components and meets the requirements of the regulation.

Solar projects under 500 kW are exempt from any permit requirement, and projects 500 kW to 5 MW must submit a certification from the local government confirming that the project complies with all applicable land use ordinances. For projects greater than 5 MW, the following project information items are required to receive a permit-by-rule:

- 1) Permit application;
- 2) Analysis of beneficial and adverse impacts on natural resources,
- 3) Determination of likely significant adverse resources;
- 4) Mitigation plan;
- 5) Site plan and context map requirements;



- 6) Project design standards; and
- 7) Public notice and 30-day comment period.

Legislative Summary

Battery storage added to permit-by-rule

HB 2148 simply adds battery storage to the eligible technologies for the DEQ's permit-by-rule, described as "an energy storage facility that uses electrochemical cells to convert chemical energy." The legislation orders DEQ to promulgate regulations to implement the addition of battery storage no later than January 1, 2022. It is up to DEQ's discretion whether to extend the regulations to energy storage projects that currently apply to solar projects, including minimal standards for projects of less than 5 MW size, or to create a new set of regulations.

Any project that is not eligible for permit-by-rule, either because it is too large or because it does not meet the technological definition in the legislation, will be required to apply for a permit with the SCC according to the requirements defined in the [energy storage regulations](#) adopted in December 2020.

For More Information

The bill text can be accessed here: [HB 2148](#)

For more information, please contact ESA at info@energystorage.org.