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# VIRGINIA STATE BUDGET

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2016 Session

## Budget Bill - HB30 (Introduced)

Bill Order » Office of Commerce and Trade » Item 120

Department of Mines, Minerals and Energy

### Item 120

First Year - FY2017    Second Year - FY2018

<b>Resource Management Research, Planning, and Coordination (50700)</b>	<b>\$5,610,922</b>	<b>\$5,611,422</b>
Energy Conservation and Alternative Energy Supply Programs (50705)	\$5,610,922	\$5,611,422
Fund Sources:		
General	\$3,531,243	\$3,531,643
Special	\$95,978	\$95,978
Federal Trust	\$1,983,701	\$1,983,801

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Authority: Title 45.1, Chapter 26, Code of Virginia.

A. Out of this appropriation, \$38,362 the first year and \$38,362 the second year from the general fund shall be provided for dues and expenses for the Southern States Energy Board.

B. To defray the costs of implementing the Virginia Energy Management Program, the Department of Mines, Minerals and Energy is authorized to have included in state fuel oil, natural gas, electricity, and similar energy contracts a provision for suppliers to collect from using agencies and remit to the department an administrative surcharge. The surcharge shall reflect the department's actual costs to administer the program. Additionally, the department is authorized, consistent with federal funding rules, to distribute energy-related federal funds as grants or as loans to other state or nonstate agencies for use in financing energy-related projects, and to recover from the recipient an administrative service charge to recover the department's costs of administering such grant or loan programs.

C.1. Out of this appropriation, \$1,500,000 the first year and \$1,500,000 the second year from the general fund shall be deposited into the Biofuels Production Fund established pursuant to § 45.1-393, Code of Virginia, to be used solely for the purposes of providing grants to producers of neat biofuels or neat advanced biofuels. With the exception of the provisions of subparagraphs C.2., C.4. and C.5. of this item, grant payments from the Fund shall be made in accordance with the provisions of § 45.1-394, Code of Virginia.

2. A producer shall be eligible for a grant from the Biofuels Production Fund established under § 45.1-393, Code of Virginia, only for each gallon of neat biofuels that it produces in the Commonwealth on or after January 1, 2014, which gallon has also been sold by the producer to customers.

3. The Secretary of Agriculture and Forestry shall assist any producer in identifying potential producers of agricultural feedstock sources within 100 miles of the primary biofuels production site and shall examine the feasibility of establishing a cooperative association to meet the feedstock requirements of any such producer. The Secretary of Agriculture and Forestry and the Secretary of Natural Resources shall work within the structure of existing funding for agricultural best management practices from the Water Quality Improvement Fund to develop additional incentives to encourage farmers to produce winter cover crops utilized in biofuels production.

4. As part of the certification process required pursuant to § [45.1-394](#) D., Code of Virginia, to be eligible for a grant pursuant to this appropriation, the producer shall also provide evidence that feedstock used in the production of the qualifying neat biofuels was derived from Virginia-grown agricultural products to the extent such feedstock materials are available from Virginia sources.

5. Notwithstanding any other provision of law, neat advanced biofuels or neat biofuels produced from any feedstock, including feedstock derived from corn or the corn kernel, stalk, or any other part of the plant, in 2015 or thereafter shall be eligible for a grant from the Biofuels Production Fund.