



VIRGINIA'S DATA CENTER ACCOUNTABILITY FRAMEWORK

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GOVERNOR ABIGAIL SPANBERGER

Accountability for Data Centers in Virginia

Governor Abigail Spanberger is leading the most comprehensive and aggressive data center accountability effort in the country.

Virginia's Data Center Accountability Framework is a detailed, wide-ranging plan that sets a high bar for development in the Commonwealth moving forward.

We are at an inflection point with this technology, and Virginia has an obligation to lead the way in data center accountability. As this industry rapidly expands across the country, Governor Spanberger is focused on one thing: delivering a better deal for every Virginian.

In the years before Governor Spanberger took office, Virginia welcomed data center development without a clear or coordinated plan to address their impacts on Virginians — on their electric bills, their water, their land, their air, or their quality of life. Those days are over.

These impacts are not hypothetical or far off into the future. Virginians are feeling them now, day in and day out — which is why the need for action is so urgent. Governor Spanberger has listened to their concerns, she understands them, and she shares them, which is why she is charting a new path forward to hold the industry to the highest standards.

This isn't a temporary fix. It's a new standard.

This Framework is designed to be long-lasting, and will result in more clean energy, more direct benefits for communities, less noise pollution, less air pollution, less water used, and good local jobs. The Governor is already moving many of these directives through her Executive Order 22.

Heading into the 2027 legislative session, Governor Spanberger will work with the General Assembly to write these standards permanently into Virginia law and implement further guardrails outlined in this Framework — ensuring that we will continue to lead the way in data center accountability.

GOVERNOR SPANBERGER'S DATA CENTER ACCOUNTABILITY FRAMEWORK

Governor Spanberger's Data Center Accountability Framework is built around five essential requirements that data center developers and operators must meet to do business in the Commonwealth:

1

**Increasing Transparency and
Ending the Secrecy**

2

**Strengthening Environmental
Protections**

3

Lowering Energy Costs

4

**Bolstering our Clean Energy
Economy & Grid Reliability**

5

**Delivering a Better Deal for Virginia
Workers**

1

Increasing Transparency and Ending the Secrecy

Communities must have transparent information and a meaningful seat at the table in decisions about local, proposed data center development and they must know that investments will deliver tangible local value. This is especially true for environmental justice communities. The Commonwealth will provide resources to empower communities to make the best decisions for their localities.

- Ban non-disclosure agreements that keep communities in the dark regarding potential or planned commercial data center development.
- Eliminate by-right approval and strengthen local control by requiring local approval of any data center using more than 25 megawatts of power regardless of prior project approvals.
- Require community benefits agreements between the data center operator and a local community as part of development deals so residents see real, tangible benefits from projects built near their homes.
- End state subsidies for data centers in Virginia's site development programs.
- Remove future large data center projects from Virginia's fast-track permitting process.
- Empower communities to negotiate strong, community-centered agreements with data center developers through assistance and other resources.
- Establish the Virginia Local Energy and Accountable Data Centers ("VA-LEAD") designation standards to improve transparency and community understanding by distinguishing and encouraging current and prospective data centers to exceed requirements on clean energy, water stewardship, grid support, and community benefits.
- Promote and encourage data center development that measurably improves surrounding communities by prioritizing the protection of historic and cultural resources and through better aesthetic design, landscaping, buffers, and other neighborhood-focused improvements.

2

Strengthening Environmental Protections

Our air, our water, our natural resources and public health cannot and will not be afterthoughts. Data center projects must now meet higher standards for emissions, water stewardship, noise, land use, and cumulative community impacts.

- Establish strong, transparent, and nation-leading standards for data center energy efficiency, water use, land impacts, and backup generation.
- Set clear water-use standards for these facilities to lower overall water consumption and improve efficiency of water usage backed by stronger state agency enforcement against violations.
- Expedite the new state noise regulations for data centers.
- Expedite the new cooling water scarcity areas regulations for data centers.
- Perform cumulative impacts analysis for the diesel backup generators these facilities rely on and require existing and future facilities to move to cleaner backup power to help mitigate air pollution — Tier IV or better.
- Identify options for reducing the impacts of data centers, including associated transmission lines, on Virginia's scenic and historic landscapes and for mitigating impacts when they are unavoidable.
- Encourage data center investment in water-positive developments that replenish water supplies to local watersheds.
- Promote projects that reuse water and recover waste heat with nearby businesses and industries, creating local economic value while reducing resource use.
- Encourage lower-impact data center development by prioritizing brownfields and edge facilities and focusing on low-impact site design, such as minimizing land disturbance, reducing environmental impacts of impervious surfaces, and maximizing tree cover.
- Develop proactive strategies for end-of-life decommissioning of data centers.

3

Lowering Energy Costs

Virginia families and small businesses should not foot the bill for the data center industry. Data centers must pay their fair share for the infrastructure investments their operations require to help lower — not raise — energy costs for Virginia households and other customers.

- Require all utilities to allocate a more equitable share of electric transmission and generation costs to data centers and other large load customers — including by advocating for models like probability-of-dispatch in future SCC rate cases.
- Require stronger upfront financial commitments from developers, so speculative projects do not tie up land, resources, and energy infrastructure without ever getting built.
- Advocate for fair cost allocation practices with PJM Interconnection — the nation's largest grid operator — to address rising energy costs driven by data centers, including by working with other states in the PJM territory and establishing additional state protections where needed.

4

Bolstering our Clean Energy Economy & Grid Reliability

Virginia has ambitious clean energy goals, and data center development cannot come at the expense of those goals. Data centers must be active partners alongside our utilities to spur innovation by supporting new clean generation, energy efficiency, and flexible demand. Their development should strengthen — not weaken — grid optimization, resilience, and reliability.

- Limit the amount of electricity data centers can generate from on-site natural gas or behind-the-meter gas generation to the maximum extent practicable and close the loopholes that allow these emissions to bypass Virginia's clean-air standards and avoid paying into the Regional Greenhouse Gas Initiative (RGGI).
- Make sure the best actors are at the front of the line: prioritize grid access for data centers that source clean energy 5 years faster than the Virginia Clean Economy Act, reduce emissions from backup generators by 60%, and have at most a de minimis allowance for on-site natural gas generation. For operators that receive priority grid access and then fail to comply with these terms, double the electricity consumption tax as a penalty.
- Make it easier for data centers to bring their own clean power, including by reforming utility charges that discourage investment in or procurement of clean-energy resources.
- Protect grid reliability by requiring data centers to meet standards that prevent sudden changes in their electricity demand from destabilizing the grid.
- Require and ensure the ability of data centers, new and existing, to support grid reliability through greater flexibility, including local clean energy and battery projects.
- Develop a strategy to prevent and reduce methane emissions across the supply chain and support verified low-emissions gas.

5

Delivering a Better Deal for Virginia Workers

The growth of any industry in Virginia should result in quality, local jobs, workforce training opportunities, prioritized local procurement, infrastructure improvements, and long-term community economic growth.

- Prioritize local hiring and encourage localities to set hiring and workforce training goals for their communities.
- Prioritize Virginia businesses in procurement and contracting.
- Support strong labor practices through responsible contractor standards and apprenticeship programs for new developments.
- Empower workers by supporting project labor agreements where possible.



Virginia's Artificial Intelligence Task Force

In addition to her executive action on data center development, Governor Spanberger is actively identifying ways to ensure that any advancements in AI technology are made safely and responsibly. Virginians are rightfully concerned about how rapidly this industry has grown in recent years, and federal action is uncertain.

- The Executive Order creates Virginia's AI Task Force, led by the Chief Transformation Officer, Counsel to the Governor, and Secretary of Administration.
 - The Task Force will work to develop policy and legislative proposals to address and regulate several of the risks posed by AI — including workforce displacement, data privacy, and cybersecurity.
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WHAT VIRGINIA HAS ALREADY DONE

The Governor's Framework builds directly on major measures she, the State Corporation Commission (SCC), and Virginia's General Assembly have put in place since her first days in office. The Governor signed more than a dozen new laws and took executive action to hold the industry accountable, putting the Commonwealth at the forefront nationally:

- Governor Spanberger proposed and signed into law the nation's first statewide energy consumption tax on data centers.
- The Governor successfully urged the SCC to require data centers to pay for transmission infrastructure built exclusively for their operations.
- The SCC established a new rate structure so large energy users like data centers pay their share of grid costs more fairly.
- The Governor directed the Virginia Department of Environmental Quality (DEQ) to set and enforce a statewide noise standard for data centers and establish "Cooling Water Scarcity Areas" to address the risk of water shortages from evaporative cooling in data centers and other industrial uses.

Governor Spanberger signed legislation to:

- Give localities new tools to weigh the community impact of potential projects
- Impose stricter emissions standards for backup diesel generators
- Establish transparency requirements for data center water use
- Reduce costs for cooperative customers by encouraging large energy users in electric cooperative territories to pay for the substations built for their own projects
- Require more accurate utility load forecasting, so the state has a clearer picture of how much power data centers will actually need
- Require new data center backup generators to meet cleaner emissions standards
- Require data centers to complete site assessments on noise, water, land, and community impacts before development — including local review of impacts on farmland, parks, and historic sites
- Ensure that data center's costs aren't socialized to other ratepayers or adversely impacting other customers
- Remove barriers to allow data centers to self-fund zero-carbon energy while also reducing everyone else's clean energy obligations

