

SUPPORT HB1288

Topic: Public utilities; classification for data centers when satisfying the existing requirement that any rate, toll, charge, or schedule of a public utility is only considered to be just and reasonable by the State Corporation Commission if the public utility has demonstrated that such rates, tolls, charges, or schedules contain reasonable classifications of customers.

Bill Patron: Delegate Webert

OVERVIEW:

This bill is a commonsense adjustment that recognizes the unique power needs of the data center industry and separately classifies them. It would require public electric, water, or sewer utility to place data centers in a separate classification allowing for rate, toll, charge, or schedule changes for that specific classification rather than commercial users as a whole.

Why this bill cannot be delayed until after the JLARC study:

- PJM 2022 Window 3 transmission projects in Loudoun, Fauquier, and Albemarle were approved on December 11th.
- FERC has already approved NextEra's request for reimbursement of its pre-construction costs and granted additional transmission rate incentives for Project 853 in Loudoun.
- Numerous transmission lines to directly serve new data center load in Loudoun, Fairfax, Prince William, Culpeper, and Henrico are already underway with submissions to the SCC in progress or already approved.
- Dominion has contracts for 5,827 megawatts worth of electric service agreements (ESA), 2,008 megawatts worth of Construction Letters of Authorization (CLOA), and 8,658 megawatts worth of Substation Engineering Letters of Authorization (SELOA).
- The utility RPS (Renewable Portfolio Standard) filing shows an estimated 100% increase of the residential rate by 2035 based on the 2023 IRP (Integrated Resource Plan) that included soaring load growth from data centers.
- The costs are piling up now and more data centers are being approved throughout Virginia. If the General Assembly delays this change that would make it easier to place the cost of infrastructure on to the industry, the burden on the ratepayer will continue to pile up.

REASONS TO SUPPORT:

- This is a commonsense adjustment that recognizes the unique power needs of the data center industry and separately classifies them allowing for rate adjustments specifically targeted to the industry.
- Virginia ratepayers should not be subsidizing the infrastructure needs of the largest companies in the world and that is what appears to be happening. This change will help us start to address this issue.



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This position was taken by Virginia Conservation Network (VCN)'s Legislative Committee and Board of Directors and is supported by Virginia's conservation community. For a complete list of VCN positions, visit www.vcnva.org/bill-tracker. VCN is committed to building a powerful, diverse, and highly-coordinated conservation movement focused on protecting our Commonwealth's natural resources today and for tomorrow.