

# SUPPORT HB 2027

Topic: State Corporation Commission; certificate of operation for high load facilities.

Bill Patron: Delegate Josh Thomas

## OVERVIEW:

In its December 2024 report, “Data Centers in Virginia,” the JLARC concluded that unconstrained development of data centers will nearly triple electricity demand by 2040, and that it will be “very difficult” to build enough power generation and associated infrastructure to support that demand. Even constraining demand growth by half, it will still be “difficult.” In other words, in every scenario JLARC evaluated, we may simply not be able to build enough infrastructure to meet this demand.

HB 2027 would require customers with electricity demand 100 megawatts and higher to first obtain a Certificate from the State Corporation Commission before they are permitted to operate. It would require the SCC to consider a number of important factors, such as grid reliability and whether other customers (like residential customers and small businesses) would be subsidizing the high load facility on their monthly bills. It also requires high load facilities to show that their operation will not prevent Virginia from meeting its clean energy goals.

## REASONS TO SUPPORT:

- The interconnection of high load customers may necessitate new power plants or grid infrastructure to be built, yet they are not regulated by any government agency that manages electricity generation, transmission, distribution, or rates – at the state or federal levels.
- FERC and PJM do not regulate on the “retail” side. At this time, it is only the electric utility that evaluates the technical capacity of the grid to accommodate a new high load facility—not a regulator charged with protecting the public interest.
- JLARC concluded that other customers will pay more due to data center growth.
- JLARC also highlights significant stranded asset risks if this growth does not materialize—or a single data center company changes its business plans, so the experts at the SCC should be empowered to examine these issues.



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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](http://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.