

SUPPORT SB1196/HB2578

Topic: Data Center Reform and Regulation; Tax Incentive Reform

Bill Patron: Sen. Deeds/Del. Sullivan

OVERVIEW:

- State tax incentives are reserved for facilities and operators that strive to reduce both air pollution and energy usage. It's common-sense to ask the largest energy consumers to do their part in preventing an energy cost crisis for Virginians.

REASONS TO SUPPORT:

- Virginia's ratepayers should not be forced to foot the bill for an explosive energy demand they had no part in causing. Both JLARC and Virginia's utilities companies aptly point out that the cost of data center growth is an unaffordable rise in electric bills for Virginia's ratepayers. Meanwhile, the data center industry enjoyed \$1.5 billion in tax incentives last year alone. This bill simply rewards behavior that reduces the threat of skyrocketing electric bills on Virginia's families.
- No community should be forced to worry if their neighbor is doing something that could be making them sick, but giant on-site diesel generators represent a concern for people who live, play, and learn near data centers. This bill also requires that state-of-the-art generators that reduce pollution are installed on-site in order to receive tax incentives.
- Tax incentives are reserved for facilities and operators that strive to reduce both air pollution and energy usage. It's common-sense to ask the largest energy consumers to do their part in preventing an energy cost crisis in Virginia. Virginia's digital and electrical infrastructure makes it an ideal state for continued development, but the economics of explosive growth must be balanced in order to protect ratepayers. Nothing in this bill stalls or eliminates data center development; it promotes fair and responsible growth.



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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.