Request for Proposals:

Economic Analysis of Costs from Data Center Buildout in Virginia

Virginia Conservation Network (VCN) is seeking an experienced research firm to create an economic analysis report of costs related to the buildout of data center infrastructure in Virginia. The requested timeline for the report is **January 4, 2026.**

RFP Proposal deadline: Nov 15th, 2026

For any questions or to submit a proposal, please contact:
Brittney Beazley, Director of Operations and Fundraising
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About Virginia Conservation Network

Founded as the Conservation Council of Virginia in 1969, Virginia Conservation Network (VCN) began as a roundtable of major conservation groups and has grown to include over 170 Network Partners across the Commonwealth. VCN is committed to building a powerful, diverse, and highly coordinated conservation movement focused on protecting our Commonwealth's natural resources.

VCN is a facilitator of strategic action, a resource for Network Partners statewide, and a constant conservation presence in Virginia's Capitol. Playing a unique role in Virginia's conservation community, VCN helps the community speak with one coordinated voice. The organization and its staff focus on strengthening the conservation community as a whole and winning environmental victories that benefit all Virginians.

VCN's Network Partners work on a wide range of issues, including stream restoration, transportation reform, renewable energy advancement, and sustainable community growth. Given the diverse work of our partner organizations, VCN organizes its programs into four main categories: Clean Water and Flood Resilience, Clean Energy and Climate, Land and Wildlife Conservation, and Land Use and Transportation.

Scope of Work and Deliverables

The selected consultant will produce a cost analysis report of potential projected costs from data center buildout. A range of total costs and designated costs for each section are preferred. The preferred deadline for the report is **January 4, 2026.**

The analysis of costs would include:

Project costs

- Transmission costs
    - Data center-driven upstream supplemental projects
        - Example: upgrades to preserve grid reliability after connecting new data centers to the grid
    - Regional transmission project costs driven largely by data centers
        - Example: Larger, PJM-managed projects to meet system need such as Valley Link.[1]
- Generation costs
    - Cost allocation methodology may benefit high-load factor customers while disadvantaging residential customers.
        - Examples: APCo uses a "six coincident peak" (6-CP) methodology; Dominion uses a generation cost allocation methodology that benefits data center customers at the expense of residential customers.
- Financing costs
    - All existing customers pay financing costs for projects needed to serve future data center demand, before these future data center customers are on the grid and paying electricity bills.
        - Example: Financing costs are still set to continue being recovered from all existing customers, while the data center customers triggering much of the buildout of Dominion's electricity system will contribute nothing until they start taking power from the grid.
- Stranded asset costs
    - If data center customers fail to show up as promised, other customers will have to bear more of the costs of the infrastructure built to serve them.
        - Example: Dominion's 14-year contract term for large customers is much shorter than the time it will likely take to pay off the infrastructure built to serve them. This means a data center could stop making any payments after 14 years even while other customers keep paying off the costs of data center-driven infrastructure.
- High-risk project costs
    - Utilities may be driven to pursue technologies that are commercially unproven and have a high risk of failure or significant cost increases.
        - Example: Dominion is currently collecting Small Modular Reactor (SMR) project development costs from all customers, even though it may never build an SMR.
- Inflation costs

[1] https://www.scc.virginia.gov/docketsearch/DOCS/8dt001!.PDF, 7, 13

- Data center-created supply strains are raising the costs of all energy projects, including those that would be needed regardless of data center demand. These increased costs are passed down to all utility customers.
    - Example: If the supply chain cannot keep up with this demand, the result is likely to be equipment shortages, increased supply costs, and delays that make energy projects more expensive.[2] Likewise, data center electricity demand is straining fuel supplies, making it more costly to purchase the fuels needed to operate fossil fuel power plants.

PJM costs

- PJM capacity costs
    - Data center demand is straining supply in the PJM region, creating high capacity auction prices that are passed down to Dominion customers.
        - Example: In 2024, overall auction prices jumped more than nine times over the previous auction's prices. In the Dominion transmission zone, home to a particularly high concentration of data centers, costs were 1,500% above the previous auction's overall PJM prices.[3]
- PJM energy market costs
    - Data center-driven supply constraints in the PJM market are raising the costs of resource purchases in the market. This means utilities must pay more to purchase market resources, with the costs passed down to all utility customers.
        - Example: Dominion's average residential bill went up $7.97 in July 2026 in part because data center demand was raising the price of energy in PJM markets.[4]
- PJM ancillary market costs
    - Costs related to traditional power plants, grid-scale battery storage, wind/solar with smart inverters, and demand-response providers.

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[2] https://www.reuters.com/business/energy/us-power-companies-scramble-secure-equipment-surging-data-center-demand-strains-2026-07-09/

[3] PJM, *2025/2026 Base Residual Auction Report* (PJM, July 2024), https://www.pjm.com/-/media/DotCom/markets-ops/rpm/rpm-auction-info/2025-2026/2025-2026-base-residual-auction-report.ashx, 3; *Application of Virginia Electric and Power Company,* Virginia Electric and Power Company - For a 2025 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to VA Code section 56-585.1, PUR-2025-00058, 9-10; *Direct Testimony of J. Scott Gaskill*, Application of Virginia Electric and Power Company to revise its fuel factor, PUR-2025-00059, 6; *Direct Testimony of William A. Coyle on Behalf of Virginia Electric and Power Company*, Virginia Electric and Power Company - For a 2025 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to VA Code section 56-585.1, PUR-2025-00058 (Virginia SCC, September 4, 2025), https://www.scc.virginia.gov/docketsearch/DOCS/88ry01!.PDF, 6.

[4] https://www.scc.virginia.gov/docketsearch/DOCS/8cgf01!.PDF, 5; https://www.scc.virginia.gov/docketsearch/DOCS/8bzb01!.PDF, 8

Non-electricity bill costs

- Health costs
    - Utilities and data center companies are building fossil fuel power plants to serve data center electric demand. These power plants result in localized public health harms and exacerbate climate change.
        - Example: An expert analysis found that Dominion's 2024 energy plan, designed largely to meet data center demand growth, would produce $7.4-$13.9 billion in health costs.[5]
    - Data centers generally have significant onsite diesel backup generation, and these backup generators may run more and more often as grid strain increases. Data center diesel backup generators in Virginia could produce public health harms at the scale of multiple power plants.[6]
        - Example: In July 2026, all Northern Virginia data centers were nearly asked to pull off of the electric grid and use their backup generators instead.[7]
    - Mental health
        - Noise pollution has also been linked with an increase in mental health concerns, such as stress-related disorders and increased annoyance, particularly in sensitive individuals. [8] [9]

- Environmental Costs
    - Wildlife
        - Local wildlife and livestock populations cannot avoid the 24-hour noise introduced into their habitats by data center operations. In livestock, prolonged exposure to elevated noise levels "can increase stress, elevate heart and respiratory rates, disrupt feeding, breeding, and communication behaviors, impair immune function, and reduce overall productivity in livestock." [10]

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[5] *Direct testimony of Nicholas D. Laws,* Virginia Electric and Power Company - 2024 Integrated Resource Plan filing, PUR-2024-00184, Attachment NDL-3, 38.

[6] https://www.washingtonpost.com/business/2026/05/28/data-centers-boom-virginians-breathe-exhaust-10000-diesel-generators/

[7] https://www.princewilliamtimes.com/localnews/heat-wave-data-centers-huge-demand-push-regional-power-grid-to-the-brink/article_a2d87d63-2f53-438f-b155-b42c62838ba0.html; https://www.loudounnow.com/news/grid-stress-dominion-says-utility-minutes-away-from-putting-every-ashburn-data-center-on-generators/article_11354752-f482-4f3c-a770-82aa4dd420b4.html

[8] https://www.frontiersin.org/journals/climate/articles/10.3389/fclim.2026.1648912/full?ref=blog.theralist.ca

[9] MeerloP.SgoifoA.SucheckiD. (2008). Restricted and disrupted sleep: effects on autonomic function, neuroendocrine stress systems and stress responsivity. *Sleep Med. Rev.*12, 197–210. doi: 10.1016/j.smrv.2007.07.007,

[10] https://pmc.ncbi.nlm.nih.gov/articles/PMC10376870/

Community Costs

- Public impacts
    - Costs related to new infrastructure, including: new local reservoirs, water resource and wastewater and effluent water treatment facilities.
    - Reductions in local property values after infrastructure buildout.
- Local, regional, statewide review costs
    - Additional resources needed for local governments to analyze data center applications.
    - Local dependency on tax revenue that may be finite or speculative.
    - Funding for state agencies, commissions, etc to monitor data centers' construction and air pollution.
    - Depreciated property values for nearby residential housing.

Budget

Please include your proposed project fee in your submission.

Submission Instructions

Please submit proposals via email to Brittney Beazley, Director of Operations & Fundraising, at **brittney@vcnva.org.** Please include "Analysis Report RFP" in the subject line.

Proposal deadline: November 15th, 2026