

# FOUR PILLARS OF DATA CENTER REFORM FOR THE 2026 GENERAL ASSEMBLY

If the Virginia General Assembly fails to take action, **unchecked data center expansion will have disastrous impacts on ratepayers, communities and the environment.**

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## Four Pillars of Data Center Reform

**TRANSPARENCY**

**PROTECTIONS**

**OVERSIGHT**

**INCENTIVES**

Virginia is already home to the world's largest concentration of data centers, with an IT power load believed to be nearly three times greater than the next largest market in Beijing.

**The rapid growth of data centers is creating an unprecedented demand** for energy, land and water, and our communities are paying the costs. Without any public review or oversight by the state, Dominion Energy has already contracted with data centers for a startling 47 gigawatts (GW) of electricity, which nearly triples its current peak energy capacity and is the equivalent of more than 29 nuclear power plants.

**Without strong regulatory and legislative intervention, the risks and costs of the immense infrastructure supporting data centers is destined to be passed on to all ratepayers, including other businesses and residents.**

Our electric companies are using these contracts to justify expensive and polluting energy infrastructure projects, including nuclear and gas power plants, and are delaying the retirement of coal plants. The Virginia Department of Environmental Quality has permitted thousands of diesel generators as back-up power for data centers, and it is now approving onsite gas turbines as primary power. **The increasing use of fossil fuels by data centers threatens public health and exacerbates environmental and climate concerns.**

Water consumption by data centers, particularly in the Potomac and Rappahannock river watersheds, is increasing at an alarming rate — at the same time that much of the state is experiencing increased drought conditions. Like air quality impacts from generators, the cumulative impacts of water consumption from the many approved and operating data centers are not being tracked or assessed.

# FOUR PILLARS OF DATA CENTER REFORM

These pillars provide a framework for responsible action and robust reform. While each pillar can stand alone and be instituted independently, **we urge a comprehensive approach.**

## TRANSPARENCY

Require local disclosure and statewide reporting on data center energy use, water consumption and emissions to ensure informed review of new applications and monitoring of existing data centers to enhance statewide planning.

## OVERSIGHT

Establish a state-level regulatory review process, in addition to the existing local review, to evaluate the far reaching regional impacts of data center development affecting neighboring jurisdictions and state policies.

## PROTECTIONS

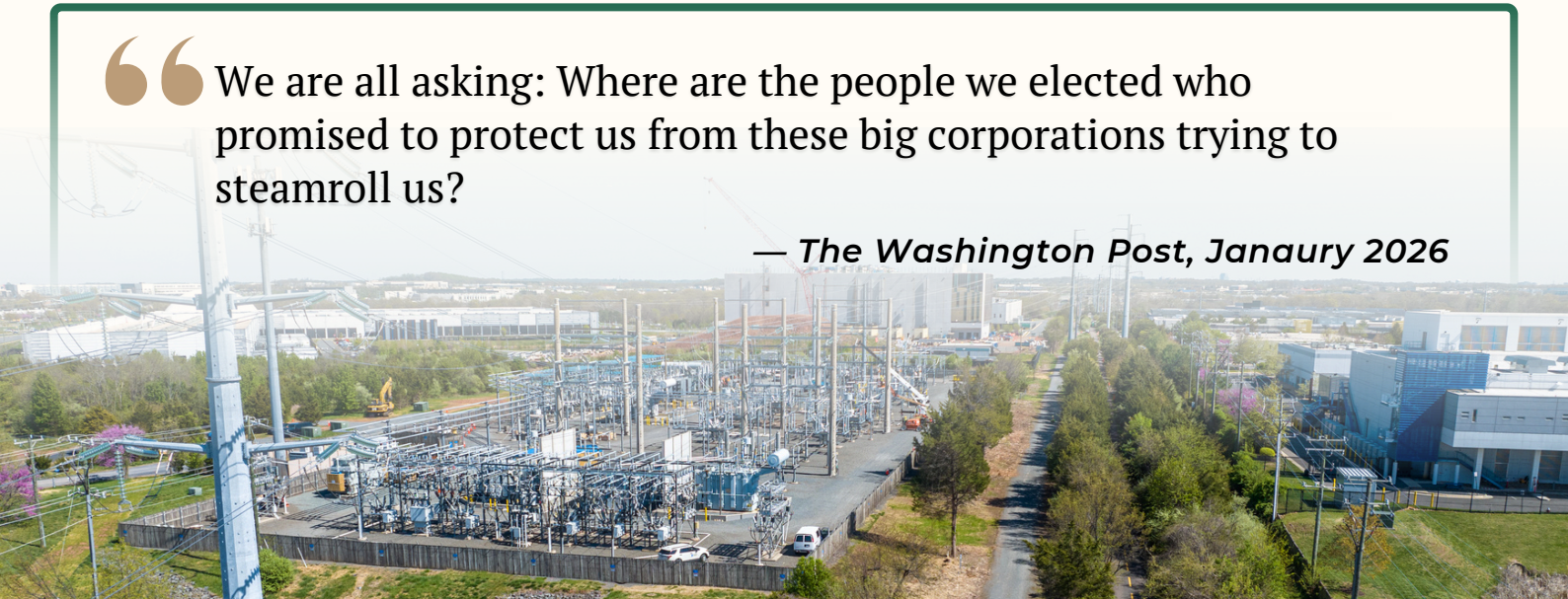
Prevent residents and businesses from shouldering industry risks and subsidizing the billions of dollars in costs associated with the data center industry's energy infrastructure needs.

## INCENTIVES

Connect state sales and use tax exemption for data center purchases to much higher clean energy and efficiency standards to incentivize best practices that reduce pollution.

“We are all asking: Where are the people we elected who promised to protect us from these big corporations trying to steamroll us?”

— *The Washington Post*, January 2026



The **Virginia Data Center Reform Coalition** is a statewide coalition of more than 50 nonprofit organizations, community groups, HOAs and individuals urging state lawmakers to institute commonsense reforms for the data center industry.