

GOVERNOR
SPANBERGER'S
PLAN

Virginia Data Center
Accountability Framework,
2026 Virginia Energy Plan
(VEP),
Pending Legislation,
Dominion IRP

Data Center Accountability Framework: 5 Pillars



1. Increasing Transparency
2. Strengthening Environmental Protections
3. Lowering Energy Costs
4. Bolstering Clean Energy Economy and Grid Reliability
5. Delivering Better Deal for VA Workers

Increasing Transparency

- Ban non-disclosures
- Require local approval of any data center over 25 MW regardless of prior project approvals
- Require community benefits agreement between the data center operator and a local community
- End state subsidies for data centers in Virginia's site development programs
- Remove future large data center projects from Virginia's fast track permitting process
- Empower communities to negotiate strong, community centered agreements with data center developers through assistance and other resources.
- Establish the Virginia Local Energy and Accountable Data Centers ("VA-LEAD") designation standards to encourage exceeding requirements on clean energy, water use, grid support, community benefits, historical and cultural resources, buffers, etc.

Environmental Protections

- Establish strong standards for energy, water, land impacts and on-site power
- Set water-use standards
- Expedite new noise regulations
- Perform cumulative impact analysis and require Tier IV or better for new facilities' backup generators
- Identify options for reducing impacts to scenic and historic landscapes, including transmission
- Encourage data center investments in water-positive technology
- Promote projects that reuse water and recover waste heat
- Prioritize brownfield and edge development and focus on low-impact environmental site design
- Develop strategies for decommissioning

Lowering Energy Costs

- Require utilities to “allocate a more equitable share of electric transmission and generation costs to data centers”
- Require stronger upfront financial commitments
- Advocate for fair cost allocation practices with PJM

Clean Energy Economy and Grid Reliability

- Limit the amount of electricity data centers can generate from on-site natural gas or behind-the-meter gas generation, and close loopholes in clean air regulations
- Prioritize grid access for data centers that source clean energy 5 years faster than the Virginia Clean Economy Act, reduce emissions from backup generators by 60%, and have at most a *de minimis* allowance for on-site natural gas generation.
- Make it easier for data centers to bring their own clean power, including by reforming utility charges that discourage investment in or procurement of clean-energy resources.
- Protect grid reliability by requiring data centers to meet standards that prevent sudden changes in their electricity demand from destabilizing the grid.
- Require and ensure the ability of data centers, new and existing, to support grid reliability through greater flexibility, including local clean energy and battery projects.
- Develop a strategy to prevent and reduce methane emissions across the supply chain and support verified low-emissions gas.

Delivering a Better Deal for VA Workers

- Local Workforce Requirements
- Supply Chain Priorities

2026 Virginia Energy Plan (VEP) – Overview

Aiming for a Clean-First, Least-Cost Energy Future

- ▶ **The Vision:** Outlines the Spanberger Administration's 10-year statutorily required energy roadmap, positioning Virginia to reach a carbon-free electric power sector by **2050**.
- ▶ **The "Clean-First, Least-Cost" Approach:** Prioritizes near-term deployment of solar, battery storage, and energy efficiency, while advancing long-term clean firm resources like **advanced nuclear and offshore wind**.
- ▶ **Doubling Down on the VCEA:** Reaffirms statutory commitments to the *Virginia Clean Economy Act* (VCEA) and rejoining the *Regional Greenhouse Gas Initiative* (RGGI).
- ▶ **The Core Strategy:** Rather than halting digital expansion, the plan explicitly aims to **leverage massive data center growth** to fund and accelerate the transition to a zero-carbon grid.

2026 VEP – Major Pillars & Technical Goals

Grid Reliability, Infrastructure, and Scaling Up

Clean Capacity

- ▶ **Massive Storage Targets:** Recommends scaling state-wide energy storage capacity up to **16 GW** to manage intermittent renewables and peak demand.
- ▶ **Utility Reform:** Signals tighter SCC oversight over investor-owned utilities (like Dominion Energy and Appalachian Power) regarding procurement, forecasting, and infrastructure spending.
- ▶ **Eliminating "Behind-the-Meter" Gas:** Heavily restricts the use of on-site, behind-the-meter natural gas generation at industrial facilities to keep the state on its carbon-free trajectory.
- ▶ **Economic Drivers:** Focuses on securing homegrown supply chains, local workforce investment, and creating sustainable clean energy careers across the Commonwealth.

2026 VEP – Alignment with the DCAF

Making "Large Loads" Pay Their Fair Share

2026 VEP explicitly incorporates and mirrors the **Five Pillars** established in Governor Spanberger's [Data Center Accountability Framework](#):

► **Ratepayer Affordability & Cost Allocation:**

- *The Plan:* Mandates that data centers account for over 90% of electricity demand growth and must pay the **full cost of infrastructure** solely due to their operations.
- *The Link:* Directly aligns with the Framework's shield preventing industrial expansion from driving up residential electric bills.

► **Grid Reliability & Environmental Protection:**

- *The Plan:* Enforces strict limits on localized emissions and backup infrastructure.
- *The Link:* Directly aligns with the Framework's heavy restrictions on diesel backup generators and expedited noise regulations.

► **Clean Energy Fast-Tracking:**

- *The Plan:* Ties grid priority to zero-carbon resource development.
- *The Link:* Rewards data centers that integrate clean energy by granting them grid access **five years faster** than general VCEA timelines.

Dominion 2026 Integrated Resource Plan (IRP): Balancing Unprecedented Data Center Growth with "All-of-the-Above" Generation Mix

- ▶ IRP responds to massive data center demand, forecasts **5% annual load growth** that is projected to double Virginia's total power demand by 2045
- ▶ **39 GW Power Expansion Roadmap:** To address tightening PJM capacity markets and rising peak winter/summer demands, the preferred 20-year portfolio proposes modeling **39+ GW** of new capacity additions (**current generation is 30.7 GW**):
 - ▶ **Renewables:** 21+ GW of solar and 3.3–3.5 GW of offshore wind.
 - ▶ **Fossil Fuels:** 9 GW of new natural gas generation to serve as critical baseline capacity, **expanding current gas generation (12.2 GW) by 75%.**
 - ▶ **Nuclear:** 2 GW of next-generation Small Modular Reactors (SMRs).
 - ▶ **Energy Storage:** 3.5 GW of Battery Energy Storage Systems (BESS).
- ▶ **Key Conflicts with the VA Energy Plan & DCAF:**
 - ▶ *Emissions & Gas:* The plan's reliance on 9 GW of new gas generation would roughly **double the utility's carbon emissions by 2046** (to 47 million tons/year), conflicting with VCEA goal of no carbon emissions by 2045.
 - ▶ *Storage Shortfall:* While the IRP proposes a historic 3.5 GW battery storage ramp, it notably falls **far short of Virginia's state statutory target of 16 GW** by 2045 signed into law earlier this year.
- ▶ **Ratepayer Impact:** Due to massive fuel, grid equipment, and infrastructure buildouts, Dominion projects substantial impacts on residential electric bills, highlighting why the cost-allocation shields in the **Data Center Accountability Framework** will be a challenge.

Converting Frameworks and Plans into Law: State Data Center Pending Legislation

- Senator Russett Perry has filed [Senate Bill 843](#) alongside Sen. Danica Roem, D-Prince William. It would block localities, the Department of Environmental Quality (DEQ) and the State Corporation Commission (SCC) from approving any data center building permits statewide from July 2027 until July 2030.
- The bill would also prevent the advance of distribution lines, on-site power, or related projects that solely serve data centers during the same timeframe.
- Sen. Roem is also filing a separate moratorium bill that is more closely tied to the interconnection queue – the list of large-load customers, namely data centers, that have requested power from Dominion Energy, which the utility is obligated to serve. Roem's bill would block new data centers from being approved statewide until the queue waiting for power is energized and the necessary grid infrastructure is built to do so. This would discourage on-site power.
- In the House, Del. Irene Shin, D-Fairfax, proposed a bill that was continued from the 2026 session that would block localities from approving zoning and permitting requests until "the fulfillment of all pending requests for interconnection to distribution service by an electric utility customer that is a data center" or July 2028, whichever comes first.

Key Takeaways

- ▶ Data Center load growth – Neither the DCAF nor the VEP attempt to decrease that massive surge in demand from data centers. They both assume the tsunami continues to build, and so does Dominion's latest IRP.
- ▶ Small Modular Reactors – the VEP assumes 6 GW of new SMRs; Dominion assumes 2 GW. The cost-effectiveness of SMRs for dispatchable generation is highly uncertain, and these could be replaced by more gas generation.
- ▶ There's little new authority for local governments.
 - ▶ Short-term:
 - ▶ EO bans local NDAs
 - ▶ State is fast-tracking regs on water and noise.
 - ▶ State econ development assistance now requires local approvals (not by-right)
 - ▶ Long-term:
 - ▶ DCAF explicitly mandates Community Benefits Agreements (CBAs)
 - ▶ Most substantive changes require legislation

The Bottom Line: there's a lot more focus on the problem at the state level. But the state isn't going to save us. If we want to meet our climate goals, we need action at the local level.