



Climate & Clean Energy WORKING GROUP



STRATEGIES FOR CLEAN ENERGY, VIRGINIA GRASSROOTS COALITION

Reduce Data Center Carbon Emissions, Air Pollution & Disruptions to the Grid

- Require zero-carbon electricity to match a significant portion of new data center electricity demand.
- End sales and use tax exemption for data centers, or condition exemptions on the purchase of clean energy and meeting minimum energy efficiency requirements ([HB2578](#) Sullivan, [SB1196](#) Deeds).¹
- Require pollution impact studies assessing, at minimum, electricity demand and GHG emissions, prior to siting new facilities ([HB1601](#) Thomas).
- Develop demand-response programs for data centers, i.e., programs to encourage reductions in electricity use during peaks in grid demand.
- Provide guidance on best design practices to address the tension between energy and water efficiency, given that water use and electricity use in cooling systems are inversely related.
- Meet air pollution and noise standards for backup generation for new data center construction, as recommended by [JLARC](#).
- Eliminate by-right development for data centers.

Reduce Carbon Emissions & Air Pollution from the Utility Sector

- Defend the VCEA.
- Enhance the VCEA by significantly expanding the amount of battery storage ([HB2537](#) Sullivan) and distributed energy that the utilities must procure ([HB1883](#) Callsen, [SB1040](#) VanValkenburg).
- Reaffirm commitment to RGGI.

¹ We cite bills patroned in the 2025 General Assembly as examples, but are open to new or improved bills in the 2026 session.

- Eliminate barriers to siting utility and medium scale solar projects. See e.g. [HB2438](#) Mundon King, [SB1114](#) VanValkenburg; [HB2126](#) Sullivan, [SB1190](#) Deeds.
- Promote utility reform through, for example, more transparent Integrated Resource Planning (IRP) and requirements to evaluate all options for meeting demand ([HB2413](#) Mundon King; [HB2604](#) Tran).
- Reduce electricity demand in buildings by improving their energy efficiency through stricter building codes that meet current IECC standards.
- Establish renewable portfolio standards for electric co-ops.

Protect ratepayers from disruptions caused by rampant growth in electricity demand

- Ensure that cost increases created by data center demand, including those related to the grid, are borne by data centers. ([HB2101](#) Maldonado, Webert and [SB960](#) Perry, Stuart).
- Authorize SCC to make changes in electric co-op rate structures to reduce risks from over-reliance on data center revenues.²

Recommit to Clean Car Standards and the EV Transition

- Implement the Clean Car Standards enacted in 2021 ([HB1965](#)).
- Amend Virtual Power Plant (VPP) pilot to adopt vehicle to grid standards to allow EVs to draw power from and send power back to the electrical grid. Create an Electric Vehicle Rural Infrastructure Program and Fund. ([HB1791](#) Sullivan).
- Create an electric utility transportation program to allow Dominion and Appalachian Power to maintain fast charging stations statewide ([HB2087](#) Shin).

Promote resilience to climate impacts

- Fund the Community Flood Preparedness Fund (CFPF) and low-income energy efficiency program from RGGI revenues.

Empower local governments to take action on climate and clean energy

- Study barriers to Municipal Aggregation – community-wide procurement of low-cost, clean electricity – and how to lower them. (2024: [HJ36](#) Sewell).
- Authorize counties to tax energy-intensive facilities based on their use of clean power or carbon footprint (more clean power = lower taxes)

² See [NOVEC's evolution: From electrifying farms to powering data centers | News | princewilliamtimes.com](#)