GOVERNOR SPANBERGER'S DATA CENTER ACCOUNTABILITY FRAMEWORK AND EXECUTIVE ORDER 22

Overview and Status Update

Joint Subcommittee on Tax Policy

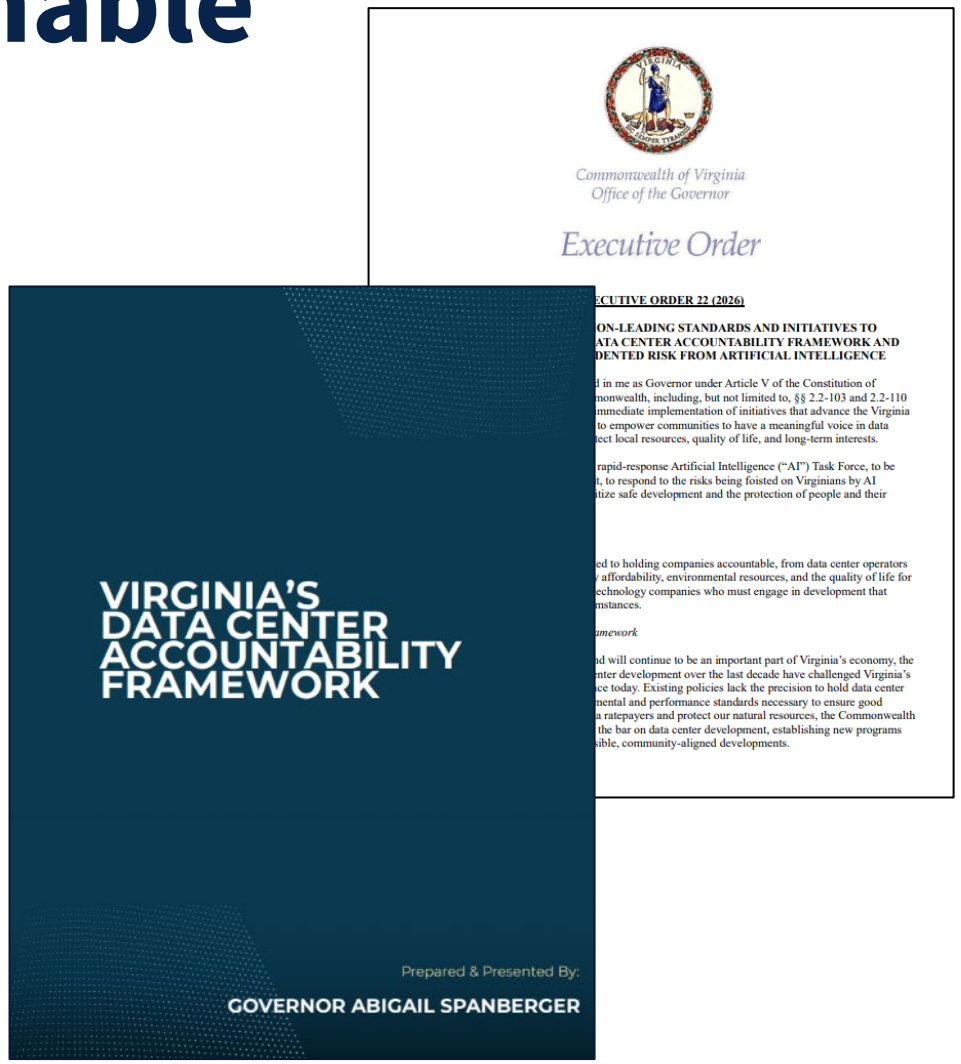
October 26, 2026

David Bulova, Secretary of Natural and Historic Resources

Josephus Allmond, Chief Energy Officer

Comprehensive and Actionable

- **The Framework provides the comprehensive plan for data center accountability in Virginia**
- **The Executive Order directs immediate actions to implement the Framework**
- **Chief Energy Officer is the Framework lead – supported by:**
  - Natural and Historic Resources
  - Commerce and Trade
  - Labor
  - Health and Human Resources
  - Transportation



Five Pillars



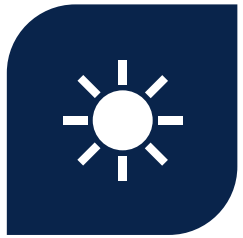
ENGAGE TRANSPARENTLY WITH COMMUNITIES



PROTECT OUR ENVIRONMENT



LOWERING ENERGY COSTS



ADVANCE CLEAN ENERGY AND GRID RELIABILITY



DELIVER A BETTER DEAL FOR OUR WORKFORCE

Engaging Transparently with Communities

Communities must have meaningful, timely information and a genuine role in proposed data enter development

- **Data Center Planning and Community Engagement Toolkit**
  - Support local government and community decision making with model questions, approaches, and templates
  - Due 120 days from EO (January 16)
  - **Actions** – Formed inter-secretariat task force to develop the toolkit
- **Responsible Development Designation Criteria**
  - Creates a “Gold Standard” for data center design
  - Modeled after LEED and EnergyStar
  - **Actions** – Criteria and implementation plan due end of 2027

Engaging Transparently with Communities

- **End By-Right Approval and Strengthen Local Control**
  - Addresses zoning that doesn't provide for meaningful input
  - **Legislation** – Legislation needed to address
- **Banning Nondisclosure Agreements**
  - Ensure that key data is readily available to make informed decisions
  - **Actions** – EO immediately banned new NDAs for state agencies
  - **Legislation** – Legislation needed to apply ban to localities
- **Exclusion from Site Readiness and Expedited Review**
  - **Actions** – EO immediately directed VEDP to cease these and other discretionary incentive programs

Protecting our Environment

Economic development should not come at the expense of our Constitutional responsibilities to protect our environment

- **Noise Protections**
  - Budget Bill directs DEQ to develop first-of-its kind state-wide noise standards by 2029; retroactive
  - Key considerations – must be robust and enforceable
  - **Actions** – EO directs accelerated implementation plan by March 17
  - **Actions** – DEQ has already issued an RFP for technical assistance
- **Responsible Siting**
  - Examples, brownfield development, co-location to utilize waste heat
  - **Actions** – EO directs solicitation of feedback from stakeholders within 180 days and submit recommendations within 240 days

Protecting our Environment

- **Back Up Generators and Cumulative Air Impacts**
  - Currently there are 13,000+ Tier 2 generators
  - GA has already acted to require Tier 4 for new generators (HB507)
  - **Actions** – EO directs DEQ to assess cumulative impacts
    - DEQ developing database of all generators – target end of the year; new modeling tool will allow “what-if” scenarios
  - **Legislation** – Legislation needed to address transition from Tier 2 to Tier 4
  - **Actions** – DEQ enforcement against Microsoft in Leesburg = $2.4M to build out air monitoring network

Protecting our Environment

- **Cooling Water Scarcity**
  - Budget Bill directs DEQ to identify cooling water scarcity areas and develop criteria for minimizing use of any source of water
    - Scarcity areas defined by 2027; must meet water standards by 2032 – retroactive
    - Except, any data center in Eastern Virginia Groundwater Management Area must comply after January 1, 2027
  - **Actions** – EO directs accelerated implementation plan by March 17
  - **Actions** – DEQ report on cost for retrofitting existing data centers in EVGMA due mid-November
  - **Legislation** – Legislation needed to address enforcement

Lowering Energy Costs

Data centers must pay their fair share of generation, transmission, and distribution costs; they should lower, not raise, energy costs for households and other customers

- **Cost Allocation for Energy Infrastructure**
  - **Actions** – Monitoring FERC and PJM actions on RBP and IRAS proposals and engaging stakeholders to ensure Virginia ratepayers protected from costs
- **Affordable Community Energy Program**
  - **Actions** – Engaging with Dominion and industry stakeholders to advance demand flexibility programs that improve community energy affordability
  - **Actions** – Exploring new programs and strategies that drive data center funding into community-beneficial affordable energy programs

Advancing Clean Energy and Grid Reliability

Data centers must be active partners in meeting Virginia's clean energy goals and strengthening grid resilience and reliability

- **Cap On-site Gas and Cose the RGGI Loophole**
  - **Legislation** – Legislation needed to address
- **Priority Grid Access and Bringing Clean Energy**
  - **Legislation** – Legislation needed to address
- **Grid Flexibility and Curtailment**
  - **Legislation –** Legislation needed to address
  - **Actions** – Monitoring recent FERC action on PJM's Interim Resource Adequacy Service (IRAS) proposal; engaging with PJM and Virginia stakeholders to minimize adverse impacts to Virginia households

Advancing Clean Energy and Grid Reliability

- **Grid Reliability**
  - **Actions** – Virginia Energy evaluating emerging standards to ensure data centers do not adversely impact Virginia's grid, identifying if any gaps to address
- **Methane Emissions**
  - **Actions** – Identifying strategies that could enable data centers to help reduce methane emissions from gas production and supply chain

Delivering a Better Deal for Our Workforce

Data centers must provide durable, shared value for Virginians – including creating and sustainable good jobs.

- **Workforce and Economic Value**
  - **Actions** – Developing best practices for prioritizing creation of quality jobs, informing Toolkit and leadership designation
- **Workforce Reporting**
  - **Actions** – Developing criteria for workforce data collection, including on quality jobs, workforce needs, training programs, and outcomes
- **Local and Sustainable Procurement**
  - **Actions** – Developing best practices for prioritizing local and sustainable procurement practices associated with industry procurement

Rapid Response AI Task Force

- Task force will address and provide recommendations to address risks posed by unregulated AI development
- Co-led by the Chief Transformation Officer, Counsel to the Governor, and Secretary of Administration
- Mandated to coordinate with the Joint Commission on Technology and Science and the Joint Legislative Audit and Review Commission
- Report to the Governor on a continuous and ongoing basis

QUESTIONS

