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## HOUSE BILL NO. 323

**HOUSE BILL NO. 325**  
**AMENDMENT IN THE NATURE OF A SUBSTITUTE**  
**(Proposed by the House Committee on Labor and Commerce**  
**on \_\_\_\_\_)**

(Patron Prior to Substitute—Delegate Sullivan)

*A BILL to direct the Department of Energy to make certain findings and recommendations and to convene a work group to provide expertise and feedback on the use of waste heat from data centers; report.*

**Be it enacted by the General Assembly of Virginia:**

**9** **1. § 1. The Department of Energy (the Department) shall lead efforts to accelerate the use of waste heat**  
**10 from data centers in the Commonwealth and shall (i) identify opportunities for beneficial use of waste heat**  
**11 from data centers; (ii) determine ways to appropriately share information and facilitate communication**  
**12 between existing and proposed data centers and potential public and private heat users, including**  
**13 residential, commercial, and public buildings, district heating systems, and industries that use low-**  
**14 temperature heat, within the Commonwealth that allow data centers, potential heat users, and the public to**  
**15 assess the potential for the use of waste heat from data centers and to establish connections between data**  
**16 centers and heat users; (iii) evaluate best practices and policies for using waste heat implemented in other**  
**17 localities, states, or countries; (iv) develop recommendations to accelerate the use of waste heat from data**  
**18 centers in the Commonwealth that identify the potential for using waste heat from data centers, its benefits**  
**19 and challenges, and recommendations for approaches to increase the use of waste heat from data centers in**  
**20 the Commonwealth and include an assessment of the estimated costs necessary to develop supporting**  
**21 infrastructure and associated programs; and (v) convene a work group that includes representatives from**  
**22 the Virginia Economic Development Partnership Authority, the data center industry, local governments, gas**  
**23 and electric utilities, relevant state agencies, potential users of waste heat, and other interested stakeholders**  
**24 to provide expertise, assistance, and feedback on the Department's efforts to accelerate the use of waste heat**  
**25 from data centers in the Commonwealth. The Department shall submit a report of its efforts, findings,**  
**26 legislative proposals, and other state or local policy recommendations to promote the use of waste heat from**  
**27 data centers in the Commonwealth to the House Committee on Labor and Commerce and the Senate**  
**28 Committee on Commerce and Labor no later than September 1, 2026.**