

**Department of Planning and Budget**  
**2026 General Assembly Session**  
**State Fiscal Impact Statement**

---

**PUBLISHED: 2/5/2026 11:56 AM**

**ORIGINAL**

**Bill Number:** HB323 H1

**Patron:** Sullivan

**Bill Title:** Department of Energy; use of waste heat from data centers; findings and recommendations; work group; report.

**Bill Summary:** Directs the Department of Energy to (i) identify opportunities for using waste heat from data centers in the Commonwealth; (ii) determine ways to share information and facilitate communication between data centers and heat users; (iii) evaluate best practices and policies for using waste heat implemented in other localities, states, or countries; (iv) develop recommendations to accelerate the use of waste heat from such data centers; (v) designate a representative to lead efforts to accelerate the use of waste heat from such data centers; and (vi) convene a work group of relevant experts and stakeholders to provide feedback on the Department's efforts. The bill directs the Department to submit a report of its efforts, findings, legislative proposals, and recommendations to the General Assembly by September 1, 2026.

**Budget Amendment Necessary:** No

**Items Impacted:** N/A

**Explanation:** This bill involves the Department of Energy; however, no budget action is needed.

**Fiscal Summary:** It is anticipated that any fiscal impact resulting from this bill can be absorbed within existing appropriations.

**Fiscal Analysis:** The bill directs Energy to lead efforts to accelerate the beneficial use of heat waste generated by data centers within the Commonwealth. Energy would be required to convene a stakeholder workgroup and submit a report to lawmakers by September 1, 2026.

Energy anticipates that any costs associated with this bill can be absorbed within existing appropriations.

This impact estimate is preliminary and may be updated if new information becomes available.

**Other:** None.