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

PUBLISHED: 2/17/2026 3:23 PM **ORIGINAL**

Bill Number: HB591E **Patron:** Simonds
Bill Title: Policy of the Commonwealth; data centers.

Bill Summary: Provides that it is the policy of the Commonwealth to encourage the responsible operation of data centers in the Commonwealth while supporting grid reliability, affordability, and the deployment of renewable resources. The bill provides that in furtherance of this policy, the Commonwealth shall (i) promote coordination between data centers, state agencies, and regional grid operators to share information on energy usage, interconnection timelines, and barriers to rapid deployment of renewable and flexible energy resources; (ii) incentivize data centers to participate in demand response programs, implement energy storage and management systems, and leverage automated technologies to reduce peak demand and support grid stability; (iii) encourage flexible energy practices that allow data centers to adjust energy consumption in real time in alignment with available renewable generation; (iv) ensure large-scale data centers pay their fair share of infrastructure investments, mitigating impacts on residential and small business ratepayers; (v) require data centers to report water and aggregated energy usage, sustainability measures, and participation in grid support programs to appropriate state and federal agencies; and (vi) promote cybersecurity, physical security, and supply chain security measures to protect Virginia data center operations from foreign adversary access or compromise.

Budget Amendment Necessary: **No.** **Items Impacted:** **N/A.**

Explanation: This bill involves all agencies of the Commonwealth that interact with data centers; a budget amendment is not required.

Fiscal Summary: The fiscal impact of this bill on the Commonwealth is indeterminate.

Fiscal Analysis: This impact statement is preliminary. This bill establishes the policy of the Commonwealth to encourage the responsible operation of data centers while supporting grid reliability, affordability, and the deployment of renewable resources. The bill does not explicitly list state agencies responsible for the provisions, nor does it define the extent to which these provisions shall be implemented.

The Department of Energy and the Virginia Information Technologies Agency have indicated that any impact to their operations is indeterminate. The Virginia Economic Development Partnership Authority anticipates that the provisions may increase data centers' regulatory compliance costs and may cause an indeterminate number of data centers that would have located or remained in Virginia to relocate elsewhere.

The impact on state expenditures and revenues is indeterminate.

Other: None.