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HOUSE BILL NO. 897  
AMENDMENT IN THE NATURE OF A SUBSTITUTE  
(Proposed by the Senate Committee on Finance and Appropriations  
on March 3, 2026)

(Patrons Prior to Substitute—Delegates Sullivan, Anderson [HB 784], and Watts [HB 961])

*A BILL to amend and reenact § 58.1-609.3 of the Code of Virginia, relating to retail sales and use tax; commercial and industrial exemptions; data centers.*

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

**1. That § 58.1-609.3 of the Code of Virginia is amended and reenacted as follows:**

**§ 58.1-609.3. Commercial and industrial exemptions.**

The tax imposed by this chapter or pursuant to the authority granted in §§ 58.1-605 and 58.1-606 shall not apply to the following:

1. Personal property purchased by a contractor which is used solely in another state or in a foreign country, which could be purchased by such contractor for such use free from sales tax in such other state or foreign country, and which is stored temporarily in Virginia pending shipment to such state or country.

2. (i) Industrial materials for future processing, manufacturing, refining, or conversion into articles of tangible personal property for resale where such industrial materials either enter into the production of or become a component part of the finished product; (ii) industrial materials that are coated upon or impregnated into the product at any stage of its being processed, manufactured, refined, or converted for resale; (iii) machinery or tools or repair parts therefor or replacements thereof, fuel, power, energy, or supplies, used directly in processing, manufacturing, refining, mining or converting products for sale or resale; (iv) materials, containers, labels, sacks, cans, boxes, drums or bags for future use for packaging tangible personal property for shipment or sale; or (v) equipment, printing or supplies used directly to produce a publication described in subdivision 3 of § 58.1-609.6 whether it is ultimately sold at retail or for resale or distribution at no cost. Machinery, tools and equipment, or repair parts therefor or replacements thereof, shall be exempt if the preponderance of their use is directly in processing, manufacturing, refining, mining or converting products for sale or resale. The provisions of this subsection do not apply to the drilling or extraction of oil, gas, natural gas and coalbed methane gas. In addition, the exemption provided herein shall not be applicable to any machinery, tools, and equipment, or any other tangible personal property used by a public service corporation in the generation of electric power, except for raw materials that are inputs to production of electricity, including fuel, or for machinery, tools, and equipment used to generate energy derived from

32 sunlight or wind. The exemption for machinery, tools, and equipment used to generate energy derived from  
33 sunlight or wind shall expire June 30, 2027.

34 3. Tangible personal property sold or leased to a public service corporation engaged in business as a  
35 common carrier of property or passengers by railway, for use or consumption by such common carrier  
36 directly in the rendition of its public service.

37 4. Ships or vessels, or repairs and alterations thereof, used or to be used exclusively or principally in  
38 interstate or foreign commerce; fuel and supplies for use or consumption aboard ships or vessels plying the  
39 high seas, either in intercoastal trade between ports in the Commonwealth and ports in other states of the  
40 United States or its territories or possessions, or in foreign commerce between ports in the Commonwealth  
41 and ports in foreign countries, when delivered directly to such ships or vessels; or tangible personal property  
42 used directly in the building, conversion or repair of the ships or vessels covered by this subdivision. This  
43 exemption shall include dredges, their supporting equipment, attendant vessels, and fuel and supplies for use  
44 or consumption aboard such vessels, provided the dredges are used exclusively or principally in interstate or  
45 foreign commerce.

46 5. Tangible personal property purchased for use or consumption directly and exclusively in basic research  
47 or research and development in the experimental or laboratory sense.

48 6. Notwithstanding the provisions of subdivision 20 of § 58.1-609.10, all tangible personal property sold  
49 or leased to an airline operating in intrastate, interstate or foreign commerce as a common carrier providing  
50 scheduled air service on a continuing basis to one or more Virginia airports at least one day per week, for use  
51 or consumption by such airline directly in the rendition of its common carrier service.

52 7. Meals furnished by restaurants or food service operators to employees as a part of wages.

53 8. Tangible personal property including machinery and tools, repair parts or replacements thereof, and  
54 supplies and materials used directly in maintaining and preparing textile products for rental or leasing by an  
55 industrial processor engaged in the commercial leasing or renting of laundered textile products.

56 9. Certified pollution control equipment and facilities as defined in § 58.1-3660, except for any equipment  
57 that has not been certified to the Department of Taxation by a state certifying authority or subdivision  
58 certifying authority pursuant to such section.

59 10. Parts, tires, meters and dispatch radios sold or leased to taxicab operators for use or consumption  
60 directly in the rendition of their services.

61 11. High speed electrostatic duplicators or any other duplicators which have a printing capacity of 4,000  
62 impressions or more per hour purchased or leased by persons engaged primarily in the printing or  
63 photocopying of products for sale or resale.

64 12. From July 1, 1994, and ending July 1, 2024, raw materials, fuel, power, energy, supplies, machinery  
65 or tools or repair parts therefor or replacements thereof, used directly in the drilling, extraction, or processing  
66 of natural gas or oil and the reclamation of the well area. For the purposes of this section, the term "natural  
67 gas" shall mean "gas," "natural gas," and "coalbed methane gas" as defined in § 45.2-1600. For the purposes  
68 of this section, "drilling," "extraction," and "processing" shall include production, inspection, testing,  
69 dewatering, dehydration, or distillation of raw natural gas into a usable condition consistent with commercial  
70 practices, and the gathering and transportation of raw natural gas to a facility wherein the gas is converted  
71 into such a usable condition. Machinery, tools and equipment, or repair parts therefor or replacements  
72 thereof, shall be exempt if the preponderance of their use is directly in the drilling, extraction, refining, or  
73 processing of natural gas or oil for sale or resale, or in well area reclamation activities required by state or  
74 federal law.

75 13. Beginning July 1, 1997, (i) the sale, lease, use, storage, consumption, or distribution of an orbital or  
76 suborbital space facility, space propulsion system, space vehicle, satellite, or space station of any kind  
77 possessing space flight capability, including the components thereof, irrespective of whether such facility,  
78 system, vehicle, satellite, or station is returned to this Commonwealth for subsequent use, storage or  
79 consumption in any manner when used to conduct spaceport activities; (ii) the sale, lease, use, storage,  
80 consumption or distribution of tangible personal property placed on or used aboard any orbital or suborbital  
81 space facility, space propulsion system, space vehicle, satellite or space station of any kind, irrespective of  
82 whether such tangible personal property is returned to this Commonwealth for subsequent use, storage or  
83 consumption in any manner when used to conduct spaceport activities; (iii) fuels of such quality not adapted  
84 for use in ordinary vehicles, being produced for, sold and exclusively used for space flight when used to  
85 conduct spaceport activities; (iv) the sale, lease, use, storage, consumption or distribution of machinery and  
86 equipment purchased, sold, leased, rented or used exclusively for spaceport activities and the sale of goods  
87 and services provided to operate and maintain launch facilities, launch equipment, payload processing  
88 facilities and payload processing equipment used to conduct spaceport activities.

89 For purposes of this subdivision, "spaceport activities" means activities directed or sponsored at a facility  
90 owned, leased, or operated by or on behalf of the Virginia Commercial Space Flight Authority.

91 The exemptions provided by this subdivision shall not be denied by reason of a failure, postponement or  
92 cancellation of a launch of any orbital or suborbital space facility, space propulsion system, space vehicle,  
93 satellite or space station of any kind or the destruction of any launch vehicle or any components thereof.

94 14. Semiconductor cleanrooms or equipment, fuel, power, energy, supplies, or other tangible personal  
95 property used primarily in the integrated process of designing, developing, manufacturing, or testing a  
96 semiconductor product, a semiconductor manufacturing process or subprocess, or semiconductor equipment  
97 without regard to whether the property is actually contained in or used in a cleanroom environment, touches  
98 the product, is used before or after production, or is affixed to or incorporated into real estate.

99 15. Semiconductor wafers for use or consumption by a semiconductor manufacturer.

100 16. Railroad rolling stock when sold or leased by the manufacturer thereof.

101 17. Computer equipment purchased or leased on or before June 30, 2011, used in data centers located in a  
102 Virginia locality having an unemployment rate above 4.9 percent for the calendar quarter ending November  
103 2007, for the processing, storage, retrieval, or communication of data, including but not limited to servers,  
104 routers, connections, and other enabling hardware when part of a new investment of at least \$75 million in  
105 such exempt property, when such investment results in the creation of at least 100 new jobs paying at least  
106 twice the prevailing average wage in that locality, so long as such investment was made in accordance with a  
107 memorandum of understanding with the Virginia Economic Development Partnership Authority entered into  
108 or amended between January 1, 2008, and December 31, 2008. The exemption shall also apply to any such  
109 computer equipment purchased or leased to upgrade, add to, or replace computer equipment purchased or  
110 leased in the initial investment. The exemption shall not apply to any computer software sold separately from  
111 the computer equipment, nor shall it apply to general building improvements or fixtures.

112 18. a. Beginning July 1, 2010, and ending June 30, 2035, except as provided in ~~subdivision~~ *subdivisions b*  
113 *and* 19, computer equipment or enabling software purchased or leased for the processing, storage, retrieval,  
114 or communication of data, including but not limited to servers, routers, connections, and other enabling  
115 hardware, including chillers and backup generators used or to be used in the operation of the equipment  
116 exempted in this paragraph, provided that such computer equipment or enabling software is purchased or  
117 leased for use in a data center, which includes any data center facilities located in the same locality as the data  
118 center that are under common ownership or affiliation of the data center operator, that (i) is located in a  
119 Virginia locality; (ii) results in a new capital investment on or after January 1, 2009, of at least \$150 million;  
120 and (iii) results in the creation on or after July 1, 2009, of at least 50 new jobs by the data center operator and

121 the tenants of the data center, collectively, associated with the operation or maintenance of the data center  
122 provided that such jobs pay at least one and one-half times the prevailing average wage in that locality. The  
123 requirement of at least 50 new jobs is reduced to 10 new jobs if the data center is located in a distressed  
124 locality at the time of the execution of a memorandum of understanding with the Virginia Economic  
125 Development Partnership Authority. Additionally, the requirement of a \$150 million capital investment shall  
126 be reduced to \$70 million for data centers that qualify for the reduced jobs requirement.

127 This exemption applies to the data center operator and the tenants of the data center if they collectively  
128 meet the requirements listed in this section. Prior to claiming such exemption, any qualifying person claiming  
129 the exemption, including a data center operator on behalf of itself and its tenants, must enter into a  
130 memorandum of understanding with the Virginia Economic Development Partnership Authority that at a  
131 minimum provides the details for determining the amount of capital investment made and the number of new  
132 jobs created, the timeline for achieving the capital investment and new job goals, the repayment obligations  
133 should those goals not be achieved, and any conditions under which repayment by the qualifying data center  
134 or data center tenant claiming the exemption may be required. In addition, the exemption shall apply to any  
135 such computer equipment or enabling software purchased or leased to upgrade, supplement, or replace  
136 computer equipment or enabling software purchased or leased in the initial investment. The exemption shall  
137 not apply to any other computer software otherwise taxable under Chapter 6 of Title 58.1 that is sold or  
138 leased separately from the computer equipment, nor shall it apply to general building improvements or other  
139 fixtures.

140 b. For purposes of this subdivision 18, "distressed locality" means:

141 (1) From July 1, 2021, until July 1, 2023, any locality that had (i) an annual unemployment rate for  
142 calendar year 2019 that was greater than the final statewide average unemployment rate for that calendar year  
143 and (ii) a poverty rate for calendar year 2019 that exceeded the statewide average poverty rate for that year;  
144 and

145 (2) From and after July 1, 2023, any locality that has (i) an annual unemployment rate for the most recent  
146 calendar year for which such data is available that is greater than the final statewide average unemployment  
147 rate for that calendar year and (ii) a poverty rate for the most recent calendar year for which such data is  
148 available that exceeds the statewide average poverty rate for that year. A data center operator or the tenants  
149 of a data center that entered into a memorandum of understanding with the Virginia Economic Development  
150 Partnership Authority on or before July 1, 2026, that complies with the requirements of subdivision a shall be

151 *eligible for such exemption through June 30, 2035. To be eligible for such exemption through June 30, 2040,*  
152 *a data center operator or the tenants of a data center shall (i) enter into a new memorandum of*  
153 *understanding or (ii) amend any existing memorandum of understanding with the Virginia Economic*  
154 *Development Partnership Authority on or before July 1, 2028, in accordance with this subdivision b and any*  
155 *other requirements of this subdivision 18. Any such data center operator or tenants thereof that do not amend*  
156 *any existing memorandum of understanding by July 1, 2028, shall be ineligible for such exemption beginning*  
157 *on and after July 1, 2035. To be eligible for such exemption through June 30, 2040, a data center operator or*  
158 *tenants of a data center shall provide proof, in addition to the requirements of subdivision 18 a, that each*  
159 *data center facility:*

160 *(1) Beginning July 1, 2031, annually receives or offsets a sufficient amount of its electric load using data*  
161 *center-funded qualifying zero carbon energy resources or energy storage facilities, and to the extent such*  
162 *facility receives electricity from on-site or co-located generating facilities, or attains electricity from specific*  
163 *generating resources through a contractual agreement, beginning July 1, 2026, such generation shall be a*  
164 *zero carbon energy resource or energy storage facility;*

165 *(2) Beginning July 1, 2031, only uses backup generators during declared grid emergencies and required*  
166 *testing or maintenance and (i) maintains sufficient zero carbon energy resources or energy storage facilities*  
167 *to provide backup generation for a minimum of two hours of operation; (ii) participates in a demand*  
168 *flexibility program and achieves on an annual basis a 50 percent peak capacity reduction, as compared to*  
169 *such data center's nameplate capacity, through methods including direct curtailment, flexibility, or capacity*  
170 *procured from other retail customers; (iii) utilizes non carbon-emitting backup generator technology*  
171 *identified by the Virginia Department of Environmental Quality as technologically viable with minimal*  
172 *environmental and health impacts; or (iv) for a facility that began commercial operation on or before July 1,*  
173 *2027, retrofits at least one-third of any Tier 2 backup generators to be Tier 4 equivalent backup generators;*

174 *(3) Beginning July 1, 2031, demonstrates sufficient investment in energy efficiency measures; and*

175 *(4) Beginning July 1, 2031, demonstrates sufficient investment in environmental management.*

176 *c. For so long as a data center operator is claiming an exemption pursuant to this subdivision 18, such*  
177 *operator shall be required to submit an annual report to the Virginia Economic Development Partnership*  
178 *Authority on behalf of itself and, if applicable, its participating tenants that includes their employment levels,*  
179 *capital investments, average annual wages, qualifying expenses, and tax benefit, and such other information*  
180 *as the Virginia Economic Development Partnership Authority determines is relevant, pursuant to procedures*  
181 *developed by the Virginia Economic Development Partnership Authority. The annual report shall be*

182 submitted by the data center operator in a format prescribed by the Virginia Economic Development  
183 Partnership Authority. The Virginia Economic Development Partnership Authority shall share all information  
184 collected with the Department.

185 The Department, in collaboration with the Virginia Economic Development Partnership Authority, shall  
186 publish a biennial report on the exemption that shall include aggregate information on qualifying expenses  
187 claimed under this exemption, the total value of the tax benefit, a return on investment analysis that includes  
188 direct and indirect jobs created by data center investment, state and local tax revenues generated, and any  
189 other information the Department and the Virginia Economic Development Partnership Authority deem  
190 appropriate to demonstrate the costs and benefits of the exemption. The report shall not include, and the  
191 Department and the Virginia Economic Development Partnership Authority shall not publish or disclose, any  
192 such information if it is unaggregated or if such report or publication could be used to identify a business or  
193 individual. The Department shall submit the report to the Chairmen of the Senate Committee on Finance and  
194 Appropriations and the House Committees on Appropriations and Finance. The Virginia Economic  
195 Development Partnership Authority may publish on its website and distribute annual information indicating  
196 the job creation and ranges of capital investments made by a data center operator and, if applicable, its  
197 participating tenants, in a format to be developed in consultation with data center operators.

198 *d. For purposes of this subdivision 18:*

199 *"Contractual agreement" does not include the standard tariff offered by the incumbent electric utility.*

200 *"Data center-funded" means an electricity generating resource or energy storage facility that is (1)*  
201 *owned and operated by the data center and is co-located with the data center; (2) owned by the data center's*  
202 *incumbent electric utility and for which the costs of such facility are not borne by any of the utility's other*  
203 *customers who have not voluntarily agreed to share such costs; (3) owned and operated by the data center or*  
204 *by a third-party and delivered to the data center via an agreement facilitated by the incumbent electric*  
205 *utility; (4) owned and operated by a third-party and from which the zero carbon electricity or energy storage*  
206 *capacity is either (i) physically sold to the data center or an affiliate licensed to participate in the wholesale*  
207 *electricity market via a power purchase agreement or tolling agreement or (ii) financially settled with the*  
208 *data center or an affiliate via a virtual power purchase agreement; (5) delivered to the data center by a*  
209 *licensed competitive service provider; or (6) procured pursuant to subsection G of § 56-585.5.*

210 *"Distressed locality" means (1) from July 1, 2021, until July 1, 2023, any locality that had (i) an annual*  
211 *unemployment rate for calendar year 2019 that was greater than the final statewide average unemployment*

212 rate for that calendar year and (ii) a poverty rate for calendar year 2019 that exceeded the statewide average  
213 poverty rate for that year; and (2) from and after July 1, 2023, any locality that has (i) an annual  
214 unemployment rate for the most recent calendar year for which such data is available that is greater than the  
215 final statewide average unemployment rate for that calendar year and (ii) a poverty rate for the most recent  
216 calendar year for which such data is available that exceeds the statewide average poverty rate for that year.

217 "Energy storage facility" has the same meaning as provided in § 15.2-2316.6.

218 "Sufficient amount of its electric load" means a data center must annually procure at least as much  
219 energy, capacity, and renewable energy credits ("RECs") from data center-funded zero carbon energy  
220 resources or energy storage facilities, measured as a percentage of the data center's annual load, as the data  
221 center's incumbent electric utility must procure in the same year under subsection C of § 56-585.5, except  
222 that the data center operator's or tenants' minimum annual zero carbon energy procurement obligations shall  
223 be accelerated by six years relative to the incumbent electric utility's annual requirement. If the data center is  
224 not located within the certificated service territory of a Phase I or Phase II Utility, as those terms are defined  
225 in subdivision A 1 of § 56-585.1, the data center's annual zero carbon energy procurement percentage shall  
226 be accelerated by six years relative to the percentage applicable to a Phase I Utility under subsection C of  
227 § 56-585.5.

228 "Sufficient investment in energy efficiency measures" means a data center has attained certification under  
229 one or more of the following sustainable design or green building standards: (i) Building Research  
230 Establishment Environmental Assessment Method (BREEAM) for new construction or BREEAM in-use; (ii)  
231 Energy star; (iii) Envision; (iv) ISO 50001-energy management; (v) Leadership in Energy and Environmental  
232 Design (LEED) for building design and construction or LEED for operations and maintenance; (vi) Green  
233 Globes for new construction or Green Globes for existing buildings; (vii) UL 3223; or (viii) other  
234 comparable standards approved by the Virginia Department of Environmental Quality.

235 "Sufficient investment in environmental management" means a data center has attained certification  
236 under (i) ISO 14001-environmental management or (ii) other comparable standards approved by the Virginia  
237 Department of Environmental Quality.

238 "Zero carbon energy resource" means electricity generated by any generating unit that does not emit  
239 carbon dioxide and is located off the Commonwealth's Atlantic shoreline or in federal waters and  
240 interconnected directly into the Commonwealth or physically located within the PJM Interconnection region.

241 19. a. Notwithstanding any provision of subdivision 18 to the contrary, the exemption set forth in  
242 subdivision 18 may be extended for the purchase or lease of computer equipment or enabling software by or

243 on behalf of data center operators for use in data centers in the Commonwealth that are under common  
244 ownership or affiliation with the data center operator as set forth in this subdivision 19. For purposes of this  
245 subdivision 19, a data center operator shall be considered to own a data center if it is operated on behalf of  
246 the data center operator pursuant to a long-term lease of at least ten years.

247 b. To qualify for an extension pursuant to this subdivision 19, a data center operator shall enter into a  
248 memorandum of understanding with the Virginia Economic Development Partnership Authority on or after  
249 January 1, 2023, that at a minimum provides the details for determining the amount of capital investment  
250 made and the number of new jobs created; the locality or localities in which the capital investment shall be  
251 made and new jobs shall be created in order to qualify for the extension; and the timeline for making the  
252 capital investment and creating the new jobs in each specified locality. A data center operator shall only be  
253 required to enter into one memorandum of understanding pursuant to this subdivision 19 in order to qualify  
254 for the extension pursuant to both subdivisions c and d.

255 c. If on or after January 1, 2023, but before July 1, 2035, a data center operator that has entered into a  
256 memorandum of understanding pursuant to subdivision b (i) makes or causes to be made a capital investment  
257 of at least \$35 billion in data centers in localities identified in a memorandum of understanding and (ii)  
258 creates at least 1,000 new full-time jobs, as defined in § 59.1-284.42, at such data centers, of which at least  
259 100 of such jobs shall pay at least one and one-half times the prevailing average wage in the Commonwealth,  
260 the data center operator shall be eligible to continue to utilize the exemption set forth in subdivision 18  
261 through June 30, 2040.

262 d. If on or after January 1, 2023, but before July 1, 2040, a data center operator that has entered into a  
263 memorandum of understanding pursuant to subdivision b (i) makes a total capital investment of at least \$100  
264 billion, inclusive of any investment made pursuant to subdivision c, in data centers in the localities identified  
265 in such memorandum of understanding and (ii) creates a total of at least 2,500 new full-time jobs, as defined  
266 in § 59.1-284.42, at such data centers, of which at least 100 of such jobs shall pay at least one and one-half  
267 times the prevailing average wage in the Commonwealth, inclusive of any new full-time jobs created  
268 pursuant to subdivision c, the data center operator shall be eligible to utilize the exemption set forth in  
269 subdivision 18 through June 30, 2050.

270 e. The extension provided in this subdivision 19 shall apply to the computer equipment or enabling  
271 software purchased or leased for use in the data centers subject to the capital investment and job requirements  
272 set forth herein, as well as to any such computer equipment or enabling software purchased or leased to

273 upgrade, supplement, or replace computer equipment or enabling software purchased or leased in the initial  
274 investment. The extension shall also apply to any computer equipment or software purchased or leased in  
275 data centers under common ownership or affiliation with the data center operator for which the data center  
276 operator entered into a memorandum of understanding with the Virginia Economic Development Partnership  
277 Authority to qualify for the exemption set forth in subdivision 18.

278 f. The reporting requirements set forth in subdivision 18 shall continue to apply to a data center operator  
279 for the duration of any extension granted pursuant to this subdivision 19.

280 g. *The requirements of subdivision 18 b shall not apply to facilities that entered into an existing*  
281 *memorandum of understanding under this subdivision 19 as of July 1, 2026. Facilities that are subject to a*  
282 *memorandum of understanding entered into after July 1, 2026, shall only be eligible for any exemption*  
283 *provided in this subdivision 19 through 2035 unless such facilities enter into a new or amend such existing*  
284 *memorandum of understanding that complies with the requirements of subdivision 18 b, which will enable the*  
285 *facility to remain eligible for (i) the exemption provided under subdivision 19 c through June 30, 2040, or (ii)*  
286 *the exemption provided under subdivision 19 d through June 30, 2050.*

287 20. If the preponderance of their use is in the manufacture of beer by a brewer licensed pursuant to  
288 subdivision 3 or 4 of § 4.1-206.1, (i) machinery, tools, and equipment, or repair parts therefor or replacements  
289 thereof, fuel, power, energy, or supplies; (ii) materials for future processing, manufacturing, or conversion  
290 into beer where such materials either enter into the production of or become a component part of the beer;  
291 and (iii) materials, including containers, labels, sacks, cans, bottles, kegs, boxes, drums, or bags for future  
292 use, for packaging the beer for shipment or sale.

293 21. If the preponderance of their use is in advanced recycling, as defined in § 58.1-439.7, (i) machinery,  
294 tools, and equipment, or repair parts therefor or replacements thereof, fuel, power, energy, or supplies; (ii)  
295 materials for processing, manufacturing, or conversion for resale where such materials either are recycled or  
296 recovered; and (iii) materials, including containers, labels, sacks, cans, boxes, drums, or bags used for  
297 packaging recycled or recovered material for shipment or resale.

298 **2. That the Virginia Department of Environmental Quality (the Department) shall convene a technical**  
299 **work group to evaluate the technological viability of non carbon-emitting backup generators for data**  
300 **centers in the Commonwealth. The Department shall identify any technologically viable options with**  
301 **minimal environmental and health impacts in a report to the Chairs of the House Labor and**  
302 **Commerce Committee and Senate Commerce and Labor Committee no later than November 30, 2029,**

303 and shall update its conclusions every four years thereafter.

304 3. That each investor-owned electric utility shall file with the State Corporation Commission (the  
305 Commission) for approval of a voluntary tariff to facilitate large customer procurement of clean  
306 energy in a manner that does not impose additional costs on other customers, including ring fenced,  
307 utility-owned resources and sleeved third-party power purchase agreements. To the extent a utility  
308 already has such an approved voluntary tariff, it shall conduct a stakeholder group with relevant  
309 customers and Commission staff to solicit feedback on the tariff, which shall be incorporated into a  
310 filing by the utility directed at improving its performance and participation rates. Any such filings  
311 shall be made on or before July 1, 2027. The Commission, in reviewing any petitions for new or  
312 amended tariffs, shall ensure that such tariffs are commercially viable and designed to encourage  
313 participation.