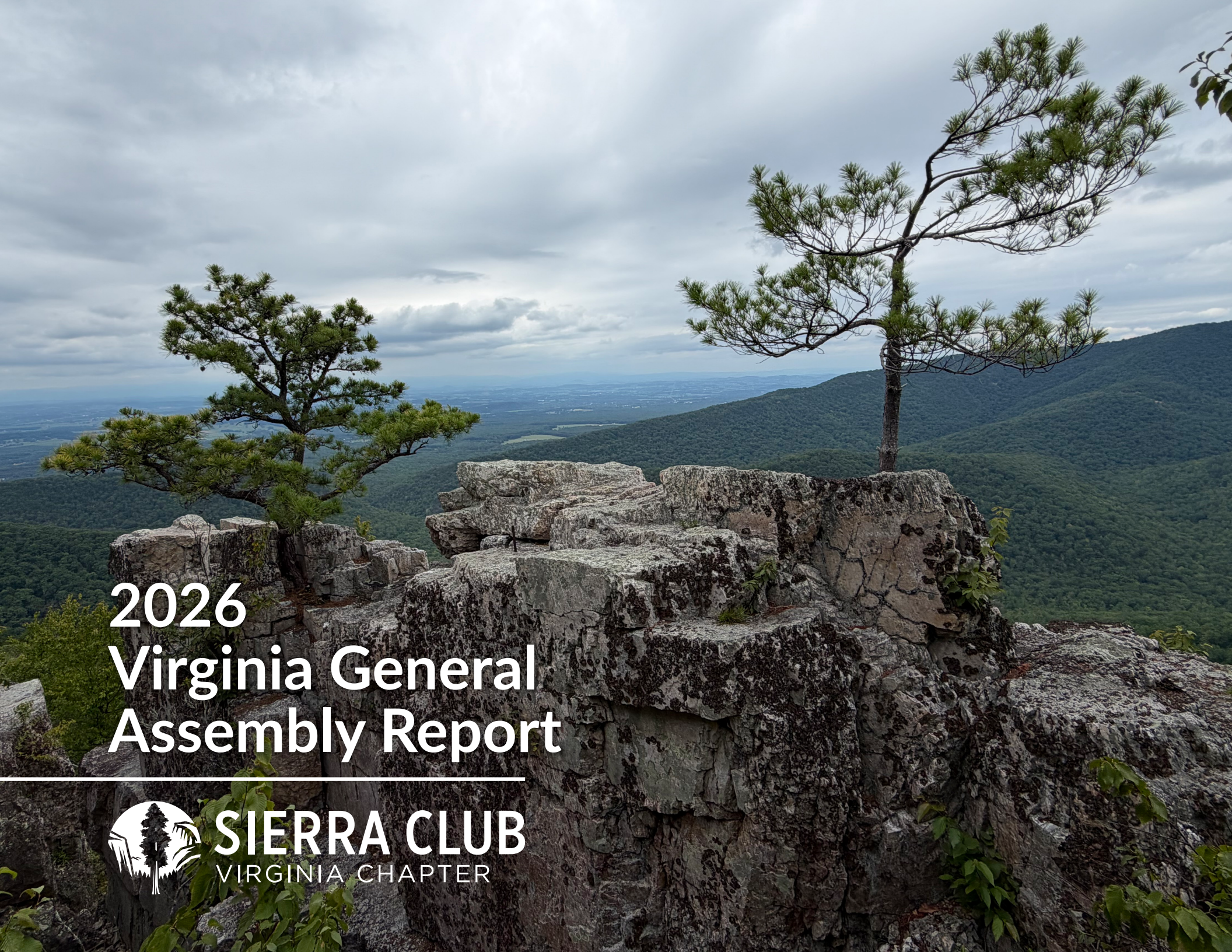




2026 Virginia General Assembly Report



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VIRGINIA CHAPTER

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Content

Connor Kish, Director

Corrina Beall, Legislative & Political Director

Bob Shippee, Legislative Chair

Document Design

Robert Ullman

Photography by Robert Ullman and Dave Parrish





Introduction

On the heels of an election that saw a large expansion of Virginia's House of Delegates pro-environment majority and a sweep of the statewide offices, the environmental community had high expectations for the 2026 General Assembly session. And indeed, the Commonwealth made important progress in this session. We saw victories in the expansion of distributed solar and battery storage targets, and Virginia will at long last rejoin the Regional Greenhouse Gas Initiative. Bills to improve grid efficiency also passed, one to accelerate clean energy projects' connection to the grid at points where there is excess capacity, and another to start a "demand flexibility" program where high energy users agree to cut use at times of peak demand. You'll also read about progress on energy efficiency, toxics and other areas in the pages to follow. We also saw the beginnings of a healthy debate over the intense resource use and fiscal drain of the burgeoning data center industry (\$1.9 billion in state tax revenue loss annually, and rapidly increasing), which has yet to be satisfactorily resolved, as detailed below.

Where did we fall short? Chapter priorities to allow farmers to add solar to their operations and a bill to require new buildings to adhere to international efficiency standards proven to cut energy costs failed to make it out of the House Agriculture and House General Laws committees respectively. The aforementioned data center debate yielded the single biggest failure of the session. Despite dozens of good data center bills introduced, neither the Senate's proposed repeal of the enormous tax giveaway (potentially \$3 billion next year) nor the House's proposed clean energy and efficiency requirements ended up being adopted. Corporate influence over our legislature proved disturbingly strong, even under expanded Democratic control.

In recent years, considering the twists and turns in the legislative process, it has become difficult and less meaningful to assign grades to individual legislators. This year, we shift to a narrative description

of the legislative session's successes and disappointments, descriptions of key bills and why we supported or opposed them, and highlighting legislators who played key roles. We conclude the report by recognizing those environmental champions.

It has been my privilege to write the introduction for the Chapter scorecard for the past 11 years. I will continue to be involved in our legislative efforts but next year's Introduction will feature new voices as others take on leadership of the chapter's intrepid team of volunteers. I have hope that Virginia will start to address the core climate and energy issues in 2027, which invariably revolve around regulatory and financial incentives. If the Commonwealth's policy is to transition to a clean energy future, we cannot allow construction of fossil fuel infrastructure. If we are truly prioritizing affordability for everyday Virginians, we need to focus on energy sources that are cheaper (and continuing to decline in cost) like solar, geothermal and wind (with batteries), and stop spending time and money on the more expensive (and getting costlier) gas and nuclear. If we need power quickly in order to satisfy the insatiable appetite of the data center sector, again the answer, by a large margin, is distributed and utility-scale solar plus batteries over gas and nuclear. The solutions to our energy and affordability crisis are right in front of us if we can summon the political will to seize them. As always, I urge you to reach out to your legislators to tell them clean energy and environmental progress are your priorities and that you expect and need their leadership on these issues.

Sincerely,



Bob Shippee
Chapter Legislative Committee Chair

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Virginia's Democratic Majority Delivered on Clean Energy – and Fell Short on Data Centers

Virginia's Democratic majority used the 2026 General Assembly Session to make real strides on clean energy, efficiency, and grid management – passing landmark legislation to expand solar and storage, modernize the electric grid, and tackle harmful pollutants like per- and polyfluoroalkyl substances (PFAS). On these votes, the Democratic caucus was nearly unanimous. But when it came to reining in the data center industry, that unity collapsed. Lawmakers adopted a handful of data center transparency measures, but stopped short of protecting our environment and our electric rates.

The stakes couldn't be clearer. Everyday ratepayers and taxpayers are covering a disproportionate share of the costs for new generation, transmission, and substations – all while data center operators enjoy massive sales and use tax breaks on their equipment. Communities are suffering more air pollution from thousands of backup diesel generators and watching critical water resources come under threat through processes that lack transparency entirely. Public and private lands are being taken to build the transmission lines these facilities demand.

Virginia needs a data center regulatory framework that guarantees four things: strict state oversight that actively protects public health and our natural, historic, and cultural resources; full transparency, with mandatory public reporting on energy usage, water consumption, and emissions; financial responsibility, with clear mechanisms ensuring data center owners – not families and small businesses – pay for their own infrastructure; and enforceable environmental standards that mitigate their impacts and protect our strong climate action laws.

In 2026, Democrats had near-perfect voting records on clean energy, but had a much weaker record on data

center accountability. Here's a look at what we won, what we lost, and what comes next.

RGGI Is Back

One of the Session's biggest wins: Virginia is rejoining the Regional Greenhouse Gas Initiative (RGGI), the multi-state carbon cap-and-trade program that the Commonwealth exited improperly under the Youngkin administration. Rejoining RGGI means Virginia will once again put a price on carbon pollution from power plants, generating hundreds of millions of dollars in revenue that can be reinvested in low-income energy efficiency and flood resilience programs. In addition to funding those programs, late-changes in the state budget will direct 45% of every RGGI dollar into the pockets of Virginia families and businesses – while important, more work remains to ensure that polluters are bearing the cost of their pollution; not just profiting. For the Virginia Chapter, RGGI re-entry is a major victory years in the making – and a clear signal that the Spanberger Administration is committed to our climate goals.



The F.A.S.T. Act: Unlocking Stranded Grid Capacity

The Facilitating Access to Surplus Transmission (FAST) Act (HB1065 (Del. Hernandez)/ SB508 (Sen.

VanValkenburg)) was another standout win this Session. This legislation leverages Surplus Interconnection Services (SIS) to allow new solar and battery storage projects to connect to the electric grid at existing generation facilities, making use of underutilized interconnection capacity that would otherwise sit idle.

The practical impact is significant. The bill directs Dominion Energy and Appalachian Power to conduct comprehensive assessments of eligible surplus capacity and identify locations where new projects are feasible, establishing a pilot program for up to 500 MW in Dominion's territory and 100 MW in Appalachian Power's. An independent auditor, approved by the State Corporation Commission by March 2027, will oversee the process.

By tapping into existing grid interconnection infrastructure, Virginia can bypass the lengthy and costly interconnection queue of the regional transmission organization PJM – one of the biggest bottlenecks slowing clean energy deployment across the region. The Virginia Chapter worked alongside industry and environmental partners to get this bill to the Governor's desk.

The F.A.S.T. Act was just one of several grid efficiency wins this session. Together, these bills advance electric load flexibility, surplus interconnection, and "virtual power plants" (VPPs) that aggregate the power from widely distributed energy resources to replicate the function of physical power plants -- all ways to more efficiently use existing infrastructure.

More Solar and Batteries in Virginia's Renewable Portfolio Standard

The General Assembly also passed a meaningful update to Virginia's Renewable Portfolio Standard (RPS). The Distributed Generation Expansion Act (HB628 (Del.

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Callsen)/ SB175 (Sen. VanValkenburg)) expands the carveout for solar deployed on rooftops, parking lots, landfills, and brownfields, while also enabling more third-party-owned distributed solar projects. Shifting development to these already-disturbed sites is smart policy.

Other new legislation will support distributed generation through enabling plug-in “balcony solar” devices, allowing localities to require solar on large parking lots, and expanding virtual power plant (VPP) programs to Appalachian Power (mandated) and electric cooperatives (allowed). Shared solar (a/k/a community solar) also scored a win with legislation expanding the size of programs in Dominion and Appalachian Power territory - so that everyone has access to renewable energy, even if they don’t own their home.



Another bill (HB895 (Del. Sullivan) /SB448 (Sen. Bagby) raises Virginia’s statewide energy storage targets, includes long-duration storage for the first time, provides local governments with safety and ordinance guidance for storage facilities, and creates a workgroup to identify future development incentives. Energy storage is essential to reaping the full benefits of renewable energy, as it allows users to shift the time of energy use, thereby increasing grid resilience by reducing pressure on the system at times of peak usage (e.g., very hot or very cold days). Storage, both in the form of batteries and long-duration storage technologies, eases the transition

to a clean energy future by smoothing out the peaks and valleys created by the limits to when sun and wind are available.

Together, these bills push Virginia to build more distributed, dispatchable clean energy resources needed to meet surging electricity demand. They also can help shift some of the solar buildout to energy-hungry cities and suburbs, easing some of the burden on rural areas.

Statewide Solar Siting Standards

The Session also produced progress on where and how solar gets built across the Commonwealth. New statewide solar siting standards are designed to bring greater consistency and predictability to local permitting — one of the most persistent barriers to solar deployment in Virginia. SB347 (VanValkenburg) and companion HB711 (Herring) raises the quality of projects while it also “bans the ban”: localities may no longer enforce blanket bans on all solar projects, instead, they must consider the merits of each solar project.

The Smart Rooftop Permitting bill (HB590 (Del. Hernandez) /SB392 (Sen. Jordan)) takes direct aim at Virginia’s notoriously slow permitting timelines, creating a state-managed automated permitting platform capable of conducting instant plan reviews and issuing permits immediately for residential systems that meet safety and building codes. Virginia has long had some of the slowest rooftop solar permitting in the South; this legislation aims to fix that.

Forever Chemicals (PFAS): A Step Forward on Sludge

PFAS — per- and polyfluoroalkyl substances — are persistent and toxic “forever chemicals,” so-called for how

long they stay in the environment without breaking down. They have been linked to numerous and serious human health harms and widespread environmental contamination, e.g., wherever sludge is tested, PFAS are almost always found. Spreading sludge as fertilizer creates the threat of PFAS contamination of our food supply and drinking water while jeopardizing the health of Virginia’s waterways and fisheries.

This session, the General Assembly passed meaningful first-step reforms to address PFAS in sludge applied to Virginia farmland: SB386 (Sen. Stuart) and HB1443 (Del. Lopez) require regular PFAS testing of sludge distributed from in- and out-of-state wastewater treatment plants for use and disposal in Virginia. It also requires disclosure of sampling results to landowners prior to land applications. Farmers and community members have a right to know what is being applied to their fields, communicated plainly with accessible science-based information, before electing to participate in this practice. The new laws also equip Virginia’s environmental regulators with the comprehensive data needed to respond effectively to the threat PFAS poses to public health and environment. These are crucial reforms.

Data Centers Take Center Stage: Budget Fight Exposes Disagreement Over What “Paying Fair Share” Means

Though Virginia is now home to a quarter of the world’s data centers, the state still maintains a data center sales and use tax exemption that has ballooned to a value of \$1.9 billion a year - a gift from Virginia taxpayers to some of the richest companies on the planet. After multiple special sessions in April and June, the General Assembly walked away from reforming this overly generous tax break. What Virginians got instead was a pay-to-pollute

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energy consumption tax — a deal that lets the industry keep polluting, keep straining our grid, and keep collecting \$1.9B a year in tax breaks, so long as it cuts the state a check. That check may reach \$600M a year for the state's General Fund, but it is not large enough to significantly change the decisions of the companies building data centers, nor are any of the funds to be raised earmarked to help lower consumers' electric bills or protect the communities living next to these facilities.

Governor Spanberger, the House, and the Senate didn't deliver to fully protect ratepayers and our environment, and punted serious action to the 2027 General Assembly

at the earliest. Virginia hosts the largest concentration of data centers in the world, and families and businesses are paying for it right now — subsidizing the industry's explosive growth on every monthly bill while utilities scramble to expand the power infrastructure to serve data center load and continue to propose massive fossil fuel power plants.

Until lawmakers deliver strong, enforceable environmental standards and comprehensive ratepayer protections that protect our state's strong climate action laws, no new data center should be approved, permitted, or connected to our grid.

Finally: Transparency on Air Quality and Water

Virginia took real steps on transparency this year — critical progress for an industry that hides behind non-disclosure agreements and shares almost nothing with the public. But major impacts on the grid and environment remain unaddressed.

The legislature passed an important water transparency measure. Companion bills HB496 (Del. Guzman) and SB553 (Sen. Srinivasan) close a critical gap: data centers can use millions of gallons of water a day to cool

Inaction at the State Capitol Fuels a Growing Grassroots Backlash

Across Virginia, a grassroots movement against unchecked data center development is growing—and the numbers tell the story. Over the past two years, the Sierra Club Virginia Chapter has held more than 150 grassroots events on data centers. During the 2026 legislative session, 2,500 Virginians took action to demand accountability from the industry. On Lobby Day, more than 150 people packed the building to capacity. The movement is still growing.

The anger crosses party lines. A June 2026 poll from Public Policy Polling found that 72% of Virginia voters want more regulation and oversight of the data center industry—including 76% of Democrats, 73% of independents, and 65% of Republicans. 65%

would oppose a large data center in their own community. And 71% support pausing new construction until lawmakers set real protections for ratepayers and the environment. The public has made up its mind, and now our elected officials must act.

Virginians are clear about what we want: action now, not another study. We want the state to rein in an industry that's raising our electric bills, straining our water, and fouling our air. We want new development to answer to the communities it lands in, and existing data centers held to standards that protect people over profits. The legislature had its chance in 2026 and passed on it. But the movement outside the Capitol isn't waiting. If anything, it's just getting started.



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their servers, yet no public record of their consumption existed. Starting January 2027, water suppliers must report exactly how much water goes to data centers each month — with potable and reclaimed water reported separately. That distinction matters because evaporative cooling can consume up to 60% of reclaimed water in the hottest months, shrinking return flows to already-stressed waterways. With this data, DEQ and regional planners can finally assess cumulative demand where data centers cluster around a shared water source and can build regional water supply plans based on real data instead of guesswork.



Meanwhile, the Spanberger administration is starting to take some steps forward on its own. Secretary of Natural and Historic Resources David Bulova and Department of Environmental Quality Director Michael Rolband launched an air quality monitoring program near “data center alley” in Loudoun and Prince William Counties in late February. It’s already showing poor air quality when diesel generators run — and five monitoring stations sit on public school grounds, putting the connection between this pollution and vulnerable populations in plain view. Yet we still don’t have public information on when data centers fire up their generators, whether for required testing or actual backup in the case of outages. Public notification is the critical next step.

Data Center Proposals Defeated Rapidly

A coalition of environmental and consumer groups — including the Sierra Club Virginia Chapter — backed a broader reform package, including SB619 (Sen. Srinivasan), requiring State Corporation Commission (SCC) review of large facilities, and SB339 (Sen. Perry), requiring fair cost allocation to shield other customers from data center-driven bill increases. Both bills passed the Senate. Both died in the House.

The need for reform is clear: data center approvals happen entirely at the local level, with no state review of grid capacity, reliability, water or ratepayer impacts — even as PJM’s independent market monitor warns that connecting new data center electric loads without such review will mean periodic blackouts, and the SCC itself has found that data centers pay less than their share of transmission costs. SB619 offered basic due diligence — the kind of oversight Virginia applies to power plants but not to the facilities driving the largest electric demand growth in the Commonwealth’s history.



The legislature failed to rein in the existing fleet of highly polluting diesel generators that data centers routinely operate. HB507 (Del. McAuliff) began as an aggressive bill to prohibit non-emergency generator use, require the strongest Tier IV emissions standards, and mandate energy storage as the primary backup power source. As enacted, it simply directs DEQ not to permit new data

center facilities with generators below Tier IV standards — a step forward for new construction, but no remedy for the thousands of dirty generators already running next to Virginia homes and schools.

Conclusion

Democrats control the Governor’s mansion, the House of Delegates and the Virginia State Senate. That trifecta took great action on clean energy and climate this past legislative Session. But party leadership is far from united around what to do on Virginia’s most pressing environmental problem: data centers.

This fight is far from over. Holding the data center industry accountable — on air quality, water, and energy use — remains a top priority for 2027. We need a regulatory framework that guarantees:

Strict State Oversight: Measures that actively protect the public health and Virginia’s natural, historic, and cultural resources.

Total Transparency: Mandatory, public reporting on energy usage, water consumption, and emissions.

Financial Responsibility: Clear mechanisms ensuring data center operators pay for their own infrastructure, not families and small businesses.

Fair Mitigation and Environmental Standards: Enforceable rules that mitigate local and state impacts and protect our state’s strong climate action laws.

With control of the executive and legislative branches in their hands, Democrats must step up, protect the residents and environment of Virginia, and put a stop to additional approvals until fair rules are in place. The Sierra Club Virginia Chapter will keep demanding and working on solutions to all of these challenges, in pursuit of a cleaner, healthier future for all Virginians.

Legislative Leader Awards

Senator Kannan Srinivasan

Senator Srinivasan (D-Loudoun) is recognized for advancing critical safeguards around Virginia's rapidly expanding data center industry. As chief co-sponsor of SB553, which passed, he secured a major transparency win: water providers must now report, through Virginia's existing water-use reporting system, the volumes of potable and reclaimed water they deliver to permitted data centers—giving DEQ, the public, and regional planners real visibility into the water demands of the Commonwealth's fastest-growing industry at a time when groundwater supplies are dwindling. He also championed SB619, which would have required the State Corporation Commission to issue certificates of operation for large facilities, weighing grid capacity, ratepayer impacts, and environmental effects. Though it did



not survive the House, his leadership laid important groundwork for future progress. The Sierra Club Virginia Chapter is proud to honor Senator Srinivasan.

Senator Scott Surovell

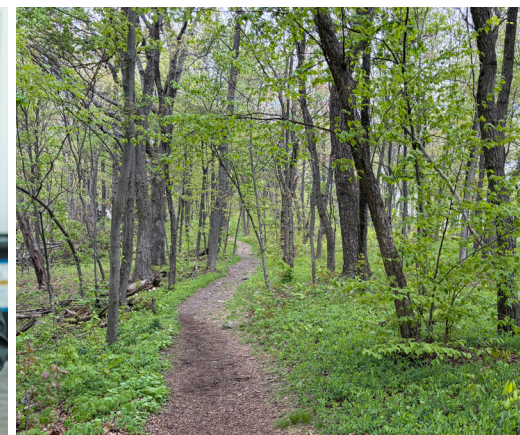
Senator Surovell (D-Fairfax) is recognized for his leadership as Chair of the Energy Commission of Virginia, where he shepherded through the most consequential suite of clean energy bills since the 2020 Virginia Clean Economy Act. He served as lead patron on measures strengthening integrated resource planning, adopting smart permitting, enhancing shared solar, and laying the foundation for Virginia's green bank. We especially recognize SB250, which opens small portable "plug-in" solar to Virginians long left out of the rooftop market—allowing any customer to install a device up to 1,200 watts without interconnection fees or net metering hurdles, and



protecting renters' right to install on balconies and patios. The Chapter is proud to honor Senator Surovell.

Senator Schuyler VanValkenburg

Senator VanValkenburg (D-Henrico) is recognized for advancing two major clean energy bills. As chief co-patron of SB347, signed into law, he helped establish a statewide framework for utility-scale solar siting that standardizes local ordinance criteria—setbacks, screening, decommissioning, and workforce standards—while preserving local approval authority, a critical step toward unlocking the more than 5 GW of stalled solar projects. He also championed the FAST Act (SB508), which passed and directs Dominion and Appalachian Power to identify surplus interconnection capacity and pilot storage—and, where practicable, solar—at existing connection points. By using grid



Legislative Leader Awards

connections that already exist, these projects bypass the lengthy PJM queue. The Chapter is proud to honor Senator VanValkenburg.

Delegate Amy Laufer

Delegate Laufer (D-Albemarle, Fluvanna, Louisa, Nelson) is recognized for her work on rural solar and PFAS contamination. Her HB1072 passed, expressly empowering localities to test and monitor land-applied biosolids for PFAS—the toxic “forever chemicals” found wherever sludge is spread—using EPA-approved methods, giving local governments a vital tool to protect soils, waterways, and residents. She also introduced HB1091, which would have amended Virginia’s “right to farm” statute to include electricity from solar panels; though it did not pass, it sparked an important conversation about farmer-led agrivoltaics. The Chapter is proud to honor Delegate Laufer.



Delegate John McAuliff

Delegate McAuliff (D-Fauquier, Loudoun) is recognized for addressing data center diesel pollution and solar on farmland. At the Chapter’s request, he introduced HB507, which passed and will, for the first time, direct DEQ to withhold air permits from new data center facilities whose backup



generators fall below Tier IV emissions standards—an important step in confronting the dirty diesel generators near Virginia homes and schools. He also championed HB508, which writes a definition of “agrivoltaics” into the Code of Virginia, recognizing the co-location of farming and solar in ways that keep agriculture front and center while giving farmers supplemental income. The Chapter is proud to honor Delegate McAuliff.

Delegate Irene Shin

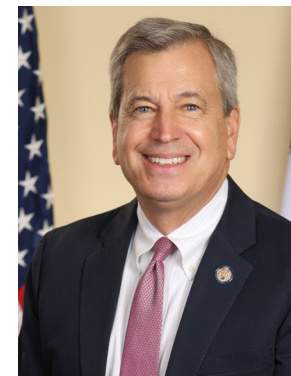
Delegate Shin (D-Fairfax, Herndon) is recognized for a remarkably broad body of work on data centers, affordability, and solar. Her HB1360 passed, requiring utilities to disclose every hour they run money-losing “must-run” coal or oil units and barring cost recovery for imprudent commitments. HB1255 passed, raising the standby-charge threshold from 15 to 20 kilowatts to make residential solar more affordable, and HB1439 passed, adding disclosures, contract protections, and a five-day cancellation right to shield homeowners from predatory solar sales. HB892 directs the SCC to investigate the load forecasts utilities submit to PJM, rooting out speculative data center demand. Her HB1515, a temporary pause on new data center approvals, did not pass but elevated essential planning conversations. The Chapter is proud to honor Delegate Shin.



Delegate Rip Sullivan

Delegate Sullivan (D-Fairfax) is recognized as one of Virginia’s foremost energy leaders, working through both the Energy Commission of Virginia and the General

Assembly. As chief patron of HB895, which passed, he secured a landmark expansion of Virginia’s energy storage targets—raising Dominion’s obligation from 2,700 to 16,000 megawatts and, for the first time, establishing dedicated long-duration storage targets. He also championed HB897, which would have attached clean energy conditions to Virginia’s \$1.9 billion data center tax exemption; though it did not pass, its framework shaped budget negotiations. His steady guidance of bills through his Labor and Commerce Subcommittee advanced much of this session’s energy agenda. The Chapter is proud to honor Delegate Sullivan.



Write your legislator:

Your Senator
Senate of Virginia
P.O. Box 396
Richmond, VA 23218

Your Delegate
Virginia House of Delegates
P.O. Box 406
Richmond, VA 23218

You can find your elected officials online, at whosmy.viriniageneralassembly.gov



The Sierra Club is the largest and most influential grassroots environmental organization in the country, with more than 3.8 million members and supporters. Our successes range from protecting millions of acres of wilderness to helping pass the Clean Air Act, Clean Water Act, and Endangered Species Act. More recently, we've made history by leading the charge to move away from the dirty fossil fuels that cause climate disruption and toward a clean energy economy. The Virginia Chapter represents over 17,000 members and ten local groups across the Commonwealth, supporting a network over 100,000 strong. We welcome every Virginian to join the grassroots movement for climate solutions. Together, we can build healthy communities, connect with nature and ensure future generations can thrive.



SIERRA CLUB
VIRGINIA CHAPTER

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Virginia Chapter

100 West Franklin Street,
Mezzanine
Richmond, Virginia 23220
(804)225-9113

sierraclub.org/virginia