

Plan for the community you want,
not the one you think is inevitable.



Data Center Expansion in Henrico: Why it's a BIG Deal!

Current Situation: Northern Virginia has the largest concentration of data centers in the world, but this distinction has come with costs that are only beginning to be realized. The data center industry in crowded NoVA now seeks greener pastures, rapidly moving out and down I-95 from Loudoun and Prince William Counties where it has destabilized the electrical grid and meets increased public resistance for further expansion. There is a real push to further expand this industry in Henrico County, particularly in the northeastern part of the Varina District. While it may seem a lucrative economic development achievement, **without strong policy guardrails in place this industry's negative impacts are likely to overwhelm any perceived economic benefits.**

Two related data center cases are currently underway in Henrico:

REZ-2023-100017 622 acres in and around White Oak Technology Park, involving the proposed Hourigan data center campus outside of the technology park. The rezoning case is currently expected to be heard by the Henrico Planning Commission on March 14, 2024.

PUR-2023-00110 before the State Corporation Commission involves a Dominion Energy proposal for a \$46M transmission line to serve data centers including in the above-referenced Henrico rezoning case. Any benefits to residential electric service are incidental. The hearing examiner recommended approval; the final ruling is expected by Dominion's requested deadline of March 1.

Why the Concern? Because of the unique nature of data centers and the speed with which the industry is moving, local and state governments, planning departments, and regulators have been largely unprepared to deal with this exceptionally well-funded Big Tech tidal wave. While the important service data centers provide and the benefits of the resulting tax revenue are easily understood, thorough consideration must be given to the negative impacts:

- **Data centers have profound environmental impacts.** In general, and certainly in the absence of sound, robust local and state policy, data centers will:
 - **Grow explosively with little constraint across the landscape.**
 - Data centers are not self-contained. Water, sewer, and electric transmission lines serving these facilities cut deep slices into neighboring acres, doing so with the power of eminent domain.
 - Vital agricultural and forest lands are swallowed up for their campuses and for the sprawling industrial solar facilities to feed them.
 - Data centers are becoming larger and taller. The largest to date is planned for just up the road in Ashland, with more than 40 buildings to be seen for miles around.
 - **Use staggering amounts of electricity.**
 - Fully 21% of Dominion's load is from data centers and this is expected to quadruple in the next 15 years. This has given Dominion cause to build new fossil fuel generation to meet demand, reversing progress on our desired clean energy future.

- Virginia would be on track to meet its goal of a zero-carbon economy if not for data center growth.
- Data centers pollute the air with banks of diesel generators used as backup power and greatly increase our carbon emissions.
- Construction of new transmission lines and substations is almost always required.
- Energy is not conserved in their operations because they have little incentive to.
- **Use tremendous amounts of water for their cooling systems.**
 - The amount of water consumed and the acres of impervious surface have significant implications for water supplies as well as wastewater systems.
- **Create unwanted noise levels from both generator and chiller output.**
- **Data centers don't pay their own way.** Citizens, as Dominion ratepayers and as taxpayers, collectively pay for a data center's expensive infrastructure, thanks to outdated laws that never anticipated such a resource-intensive industry. As noted above, in Henrico there is currently a \$46M transmission line in the SCC approval process. Dominion ratepayer bills are expected to increase considerably over the next 10 years.
- **The economic benefits of data centers are overrated and speculative.** After construction, very few employees are needed to run a data center. Local policymakers must fully understand the true net benefit after all state and local tax incentives and the building of infrastructure. Open, honest, and data-based public discussion must happen first.

What Should Henrico County Do Now?

- **Press pause on all data center zoning action for public trust.** Henrico must take lessons from what's happened in Northern Virginia and learn from the mitigating work these localities are doing now. New and expanding hyperscale data centers (at Meta and QTS, already located at White Oak Technology Park) will have outsized impact on our county that may be well beyond any industry we have considered before. As such, they should not be considered without full public input and disclosure. Economic development often involves less than open dialogue after many considerations and concessions have been made. Public trust, good government, and the "Henrico Way" require open and substantive discussions of the full extent of current and future plans, before making decisions.
- **Establish a broad-based citizen stakeholder group** to inform, guide, and monitor the recruitment and operation of data centers in the county.
- **Update planning processes and tools.** Review, update and/or strengthen all planning processes and tools, including the 2045 Comprehensive Plan, land use classifications and maps, zoning maps, zoning ordinances, and proffers, in anticipation of the rapid emergence of the data center industry in the county, ensuring that negative impacts on community and environment are appropriately addressed and that Henrico's standards for data center recruitment and operations are world-class.

What Can Citizens Do?

- Contact your Henrico Supervisor and Planning Commissioner, as well as your state Delegate and Senator. Ask them to engage and act on this issue, because it affects all of us in Virginia.
- Stay informed through Henrico Conservation Action Network at conservehenrico.org.