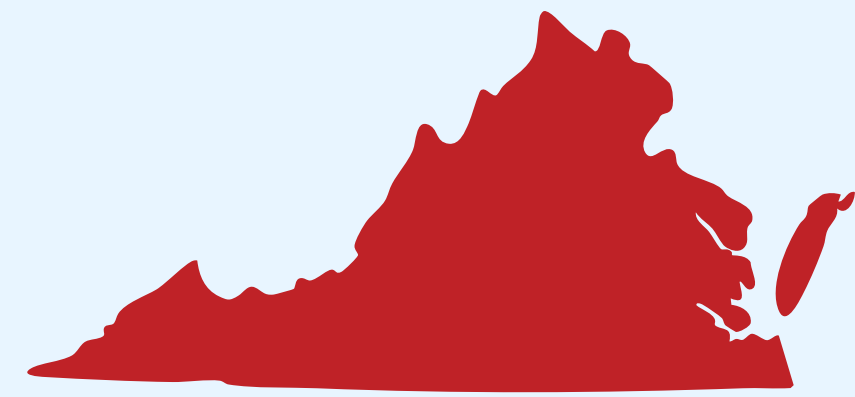


# DATA CENTERS IN VIRGINIA: WHAT YOU NEED TO KNOW

TAXPAYERS  
PROTECTION  
ALLIANCE



Recently, data center operations and proposed projects have received a significant amount of attention from Virginia policymakers and pundits. As *Washington Examiner* editor Jack Yoest [notes](#), “Virginia has a decadeslong record of building the infrastructure that powers the modern internet, and just as important, the governance capacity to manage it responsibly. Today, the commonwealth hosts the world’s largest concentration of data centers, at 13% of global capacity. That makes Virginia a valuable case study, not because growth here happened without challenges, but because the commonwealth built the institutional capacity to manage that friction as it arose.”

According to a recent report by the [Chamber of Progress](#)—citing figures from the Northern Virginia Technology Council—“data centers support a substantial share of [economic activity](#) across Northern Virginia. In 2025, data centers in the region directly supported approximately 15,210 operational jobs and 29,075 construction jobs, with \$4.1 billion in employee pay and benefits and \$18.7 billion in direct economic output. When indirect and induced effects are included, total economic activity associated with data centers reached 87,560 jobs, \$7 billion in pay and benefits, and \$31.8 billion in economic output regionally.”

## PROPOSED AND PASSED RESTRICTIONS ON DATA CENTERS

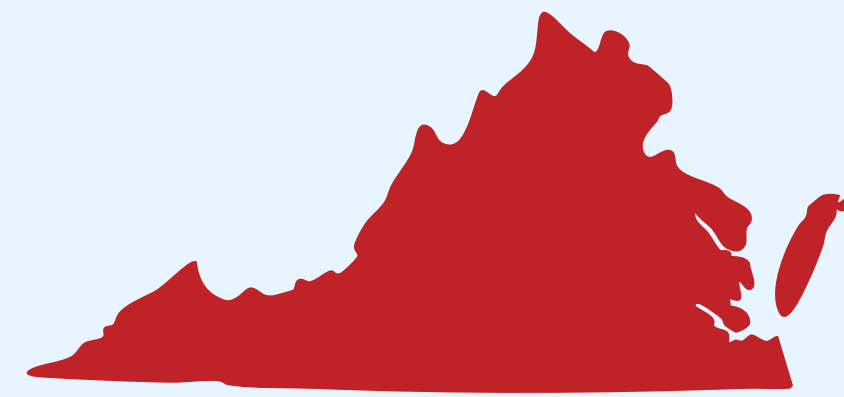
- \* A recent budget deal agreed to by state lawmakers enacts a new tax on power used by data centers in the Commonwealth. The FY 2027–FY 2028 biennial [budget agreement](#) stipulates that data centers must pay 1.1 cents per kilowatt-hour of electricity consumed, billed on a monthly basis. Revenue collected by the tax will be capped at \$600 million annually; excess collections will ostensibly be refunded to the data centers at the end of the fiscal year.
- \* According to a [March report](#) by MultiState, “Data center siting restrictions Virginia passed this year include a new permit process for facilities using 100 MW or more, requiring sound assessments near homes and schools within 500 feet. Localities can also now require assessments of impacts on water resources, agriculture, and historic sites before approving projects.”
- \* As Glenn Davis, former state lawmaker and former director of the Virginia Department of Energy, [noted](#) in a recent *The Wall Street Journal* op-ed, Prince William County has taken a far more restrictive approach to data centers than neighboring Loudoun County. He writes, “A massive data-center project [in Prince William County], approved in 2023, has effectively collapsed. A Virginia appeals court ruling halted the project, and local officials have declined to stand up for it. In the aftermath, key developers, including Compass Datacenters, have withdrawn, pointing to legal uncertainty and regulatory hurdles, even though the company invested tens of millions of dollars in the effort.”



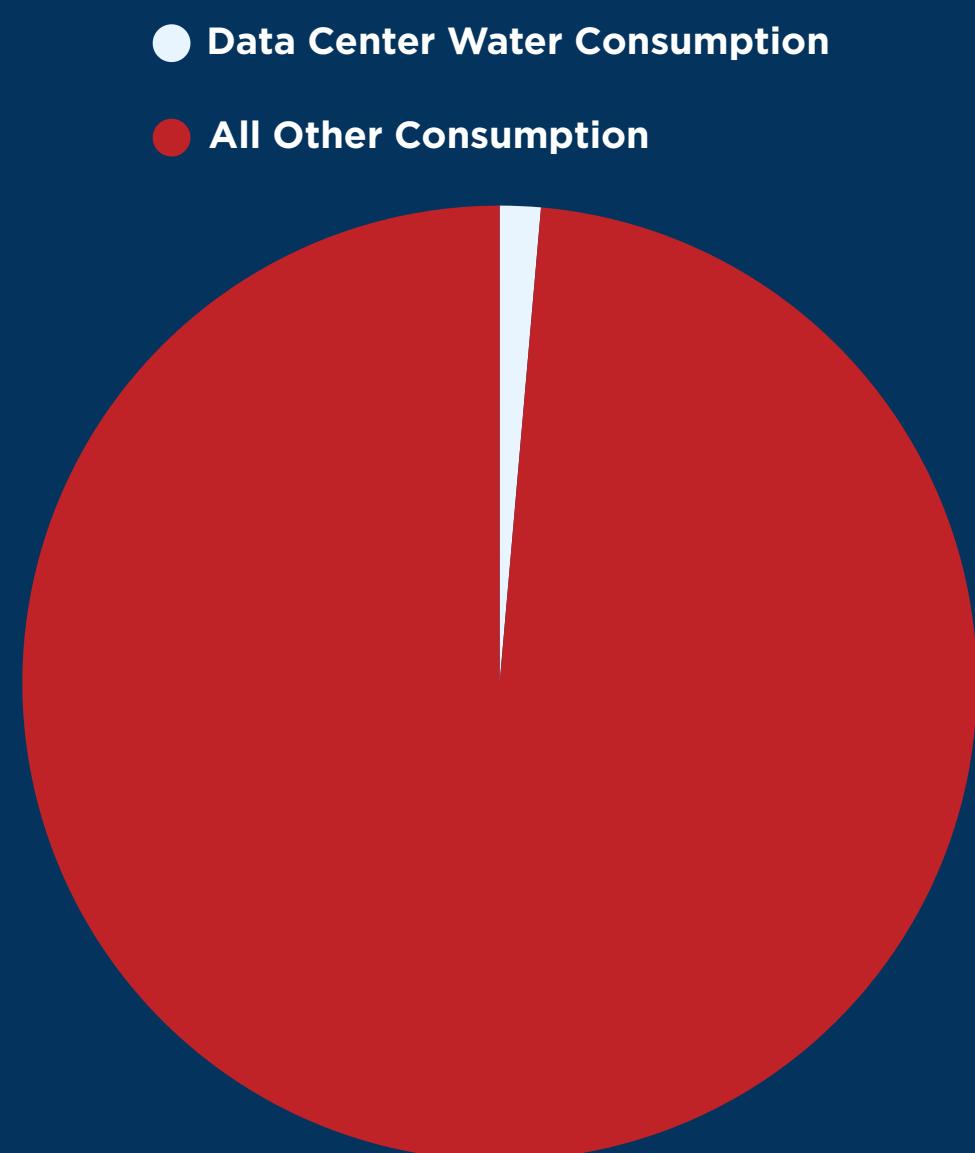
## DATA CENTER DANGERS SIGNIFICANTLY OVERSTATED

Advocates of bans or restrictions often cite supposedly excessive water or electricity consumption by new data center operations. For example, state Sen. Danica Roem (D) [claims](#), “when the time comes, you find out we have now put such enormous pressure on our electrical grid ... if we continue the path that we’re on, we’re going to overload the grid.” These claims are simply not supported by the evidence.

# DATA CENTER MYTH V. REALITY



## VIRGINIA WATER USAGE, 2025



### MYTH:

Data centers are using up a significant percentage of water.

### REALITY:

In Virginia, data centers accounted for **1.4 percent** of all water consumption in 2025.

Brookings Institution data center water use estimates; Baxtel data center count; U.S. Geological Survey state-level aggregate water consumption figures.

## VIRGINIA ELECTRICITY USAGE, 2025

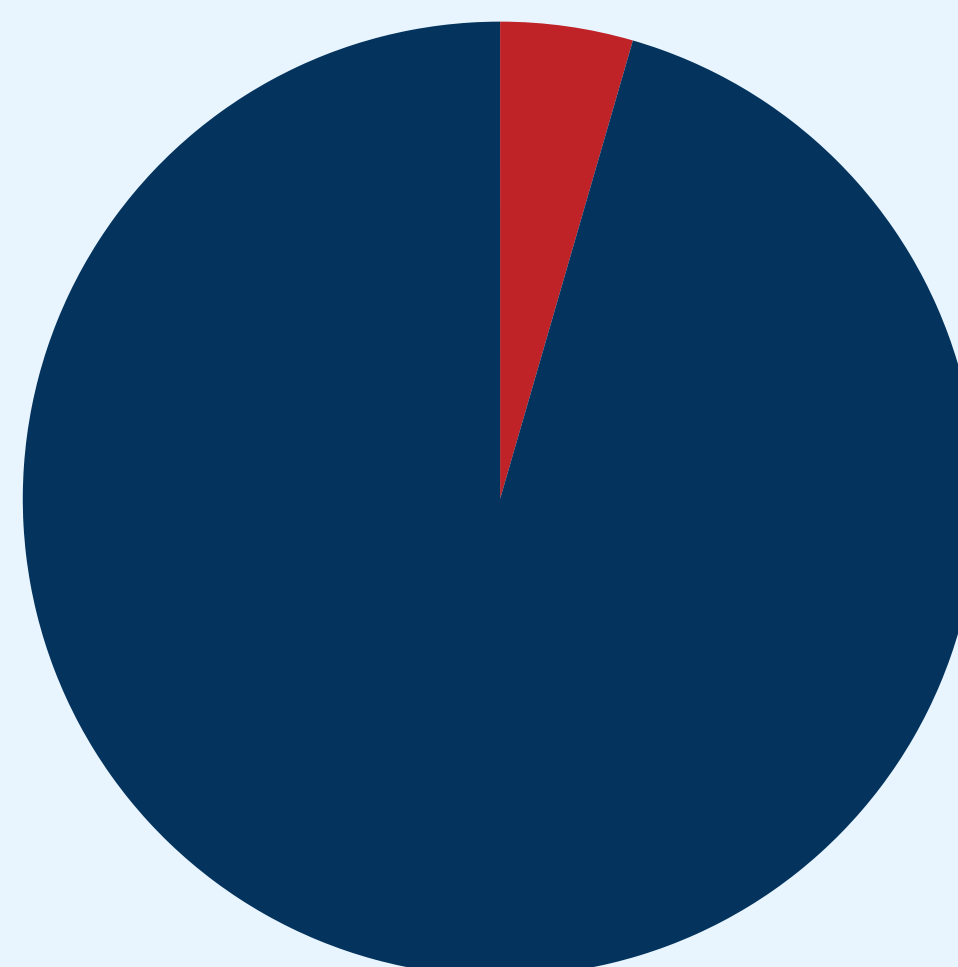
### MYTH:

Data centers are using up a significant percentage of electricity.

### REALITY:

In Virginia, data centers accounted for **4.6 percent** of all electricity consumption in 2025.

- Data Center Electricity Consumption  
● All Other Consumption



Electric Choice data center power consumption figures; U.S. Energy Information Administration state-level net generation figures.

To learn more about the long-term projected water and electricity demands of data centers, visit the Q&A section at [protectingtaxpayers.org/datacenters](https://protectingtaxpayers.org/datacenters)

Taxpayers Protection Alliance  
1101 14th St NW, Ste 500,  
Washington, DC 20005  
[protectingtaxpayers.org](https://protectingtaxpayers.org)

**TAXPAYERS**  
PROTECTION  
ALLIANCE