



Press Release

Virginia's New Data Center Electricity Rate Class

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In November 2025, Virginia's retail electricity market regulator, the State Corporation Commission (SCC), approved a new electricity rate class for large-scale customers, notably artificial intelligence (AI) data centers. In a new insight, Director of Energy and Environmental Policy Shuting Pomerleau and Irene Ko explain Virginia's new rate class and the main factors driving this regulation.

Key points:

- *Starting in January 2027, affected customers must pay for at least 85 percent of contracted distribution and transmission demand and 60 percent of generation demand.*
- *The measure is designed to protect other ratepayers from rising electricity costs associated with data center expansion; AI data center demand contributed to an 833-percent increase in PJM's (a regional transmission organization) capacity market auction price for 2025-2026 compared to the previous year, and Virginia energy demand is projected to rise 183 percent by 2040.*
- *The ultimate impact of Virginia's new electricity rate class for large-scale data centers is not clear, but it holds major ramifications for the Commonwealth; Dominion Energy and the policymakers who oversee it will be challenged as they attempt to keep up with the soaring data center demand without raising electricity bills significantly for residential customers.*

[Read the analysis.](#)