

# **H.727 – Data Centers Potential Senate Amendment**

**Testimony to the House Committee on  
Energy & Digital Infrastructure**

**Ben Edgerly Walsh, VPIRG**

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**If the House took a “gap filling”  
approach,**

**The Senate is building on that,  
and adding a “redundant  
safeguards” approach.**

## **Three things the Senate amendment drives at (on energy)**

- Strengthening & tightening ratepayer protections
- Expanding grid protection framework and tools
- Adding climate pollution reduction provisions

# Strengthening & tightening ratepayer protections

- Purpose:
  - House: “protects existing electric ratepayers from unwarranted costs”
  - Senate: “financially benefits existing electric ratepayers and protects them from additional costs”
- Large Load Service Equity Contract – (a)
  - House: “mitigating the risk of financial exposure”
  - Senate: “precluding the risk of financial exposure”
- Large Load Service Equity Contract – (b)(2)
  - House: “mitigate the risk of other ratepayer classes paying unwarranted costs”
  - Senate: “ensure that other ratepayer classes are insulated from all costs”

# Expanding grid protection framework and tools

- House:
  - 284(b)(7) include provisions requiring implementation of demand-side management operational measures for the purpose of maintaining grid stability and efficiency, including demand response and flexible load management practices, such as load shifting, peak shaving, and the use of distributed energy resources
- Senate
  - 284(b)(7) include provisions requiring implementation of demand-side management operational measures for the purpose of maintaining grid stability, efficiency, reliability, and resiliency, including demand response and flexible load management practices that, at a minimum, satisfy the requirements of section 285 of this subchapter;

# Expanding grid protection framework and tools

- § 285(a) – Demand Side Management, Purpose
  - “minimize any adverse impact of data center operations on Vermont’s electric system, other ratepayers, and the environment...minimize peak demand increases, reduce associated costs, and enhance the grid’s stability, efficiency, reliability, and resiliency while minimizing climate pollution emissions and maximizing benefits to Vermonters.”
- § 285(f) – data centers must:
  - Participate in a Virtual Power Plant run by the electric company, or if that is not available
  - Implement a Virtual Power Plant in coordination with the electric company

# **New climate pollution provisions**

- § 285(b)(2) - Project design and construction for efficiency, on-site renewables
- § 285(c) - on-site combustion generators as true backup only
- § 285(d) - maximizing on-site renewables (excluding combustion-based renewables)
- § 285(e) - energy transformation payment

**Ben Edgerly Walsh**

[ben@vpirg.org](mailto:ben@vpirg.org)

