



**LAND USE REVIEW BOARD**

10 Baldwin Street

Montpelier, VT 05633-3201

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**To: House Committee on Energy and Digital Infrastructure**

Rep. Kathleen James, Chair  
Rep. R. Scott Campbell, Vice Chair  
Rep. Laura Sibilgia, Ranking Member  
Rep. Richard Bailey  
Rep. Chirstopher Howland  
Rep. Bram Kleppner  
Rep. Christopher Morrow  
Rep. Michael Southworth  
Rep. Dara Torre, Clerk

**From: Land Use Review Board**

Brooke Dingledine, Member  
Jenny Ronis, General Counsel  
Peter Gill, Executive Director

**Date:** May 15, 2026

**RE: H.727 · An act relating to sustainable data center deployment**

Land Use Review Board's recommended language edits to  
H.727 - Bill as Passed by the House (with Senate Proposals 5-14-2026)

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The Land Use Review Board has reviewed **H.727 – Bill as Passed by the House (with Senate Proposals 5-14-2026)**, and respectfully recommends the following edits to the language proposed as:

**30 VSA §285(b)** (contained on page 6, line 13 through page 7, line 13) and

**30 VSA §285(e)** (contained on page 8, line 14 through page 9, line 14),

**in order to eliminate duplicative review of Act 250 Criterion 9(F) Issues in 30 VSA**

**Chapter 5 , Subchapter 3:**

The Land Use Review Board respectfully recommends the following edits, for the purpose of clarifying the division between the Public Utilities Commission's review of the adequacy of electric facility capacity and the Act 250 review of physical project and site design.

Please note that any requirements for data centers included as Act 250 permit conditions would be enforceable by the Land Use Review Board's administrative environmental law enforcement authority pursuant to 10 V.S.A. Chapter 201.

**The Board's recommendations appear in RED as follows:**

Sec. 1. 30 V.S.A. chapter 5, subchapter 3 is added to read:

\* \* \*

§ 285. ~~ENERGY EFFICIENCY DESIGN~~ DEMAND-SIDE MANAGEMENT

(b) ~~Site suitability analysis and project~~ **Project** design suitability analysis.

(1) **Site Design suitability analysis.** Prior to submitting a permit application under 10 V.S.A. chapter 151, the owner or operator of a proposed data center shall conduct a **site design suitability analysis**. This analysis shall be developed in consultation with the electric company and the efficiency utility appointed by the Public Utility Commission under subdivision 209(d)(2)(A) of this title. The analysis shall provide a preliminary assessment of the facility's capacity to:

~~(A) comply with the required commercial building energy standards adopted under section 53 of this title;~~

**(B) maximize the deployment of on-site renewable energy generation, battery storage, and demand response assets; and**

**(C) implement a waste heat recovery system capable of providing thermal energy to adjacent municipal or residential buildings.**

(2) **Project design.** ~~Early in the design development phase~~ **In the design and construction** of a data center, the owner or operator of a data center shall consult with the

~~efficiency utility appointed by the Public Utility Commission under subdivision 209(d)(2)(A) of this title to shall ensure compliance with State energy efficiency requirements and best practices~~ and maximize the potential of the site and any structures on the site to host renewable energy.

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**(e) Energy transformation payment.**

**(1) Because of the unique and significant demands a data center has on Vermont's electric system, it shall contribute proportionally to State initiatives that reduce fossil fuel consumption and greenhouse gas emissions. Accordingly, a data center shall make an annual payment directly into a fund managed by the electric company. The payments shall be used to finance energy transformation projects as defined in subdivision 8002(28) of this title and, to the extent practicable, such projects shall be deployed in the community hosting the data center and the surrounding communities.**

**(2) The amount of the payment shall be equal to 60 percent of the data center's electricity usage for the prior calendar year multiplied by the alternative compliance payment rate established in subdivision 8005(a)(6)(A)(ii) of this title. Payments shall be made in advance at the start of each calendar year based on projected electricity usage. Any difference between projected and actual usage shall be reconciled in the following year's payment.**

**(3) In the event funds generated by this subsection are used to support projects that are also supported by the electric company under subdivision 8005(a)(3) of this title, or by any other regulated entity, the Commission shall prorate the reduction in fossil fuel consumption and greenhouse gas emissions credited to the regulated entity.**