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Dear Senator Baruth

On behalf of hardworking Vermonters and their families, we respectfully request that you reject the Senate amendment to **H.727**.

This amendment creates one of the most restrictive and uncertain regulatory environments for data centers in the country.

At a time when other states are aggressively competing for technology investment, jobs, and infrastructure, Vermont is sending the opposite message: large-scale economic development will face political discretion, endless permitting, costly mandates, and punitive fees.

This bill does not create a balanced framework for growth. **It effectively guarantees that future investment will go elsewhere.**

Why This Is Bad Public Policy:

- **Vague “General Good” Standard:** The bill allows regulators to approve or deny projects based on whether they believe a project promotes the “general good of the State.” That standard is subjective and undefined. Businesses cannot invest hundreds of millions of dollars when approvals depend on unpredictable bureaucratic interpretation rather than clear rules.
- **Expansive Environmental Justice Mandates:** The legislation expands project review far beyond traditional environmental impacts and opens the door to potential legal and administrative challenges. This creates uncertainty, delays, and opportunities for activist opposition campaigns that could stop projects before they begin.
- **Costly Energy Mandates:** The bill requires projects to maximize on-site renewable generation “to the greatest extent technically feasible.” This creates an undefined standard that creates a constantly moving compliance target. Combined with battery storage requirements, backup generation restrictions, and additional engineering reviews, these mandates could dramatically increase project costs and timelines.
- **Punitive Climate Surcharges:** The legislation imposes mandatory payments by a data center into a fund managed by the electric utility that will go toward funding State

initiatives that reduce fossil fuel consumption and greenhouse emissions. **This payment would be on top of the data center already paying retail electric rates.** Data centers would effectively face an industry-specific tax simply for operating in Vermont.

- **Excessive Regulatory Burdens:** The bill requires ongoing public reporting of operational data, additional water and cooling permits, future decommissioning obligations, and costly financial assurance requirements.

Together, these overlapping mandates create enormous compliance burdens and make Vermont regionally uncompetitive.

Vermont has natural advantages for attracting data centers, including a cooler climate and a strategic Northeast location. But this legislation undermines those strengths by creating one of the most hostile permitting and regulatory environments in the nation.

Other states are streamlining approvals and encouraging investment. Meanwhile, Vermont is entertaining adding mandates, surcharges and permitting barriers.

This bill is **anti-investment, anti-growth, and economically self-defeating.**

Vermont should compete for the jobs and infrastructure of the future, not regulate them out of existence.

For these reasons, we respectfully urge you to **reject H.727.**

Best,

Rachel Burgin
Deputy Regional Director
Americans for Prosperity