

1 **DIRECT TESTIMONY**  
2 **OF**  
3 **BUDDY RIZER**  
4

5 **ON BEHALF OF**  
6 **LOUDOUN COUNTY, VIRGINIA**  
7 **BEFORE THE**  
8 **STATE CORPORATION COMMISSION OF VIRGINIA**  
9 **CASE NOS. PUR-2024-00032 AND PUR-2024-00044**  
10 **(COLLECTIVELY, THE CONSOLIDATED CASES)**  
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12  
13 **I. INTRODUCTION**

14 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

15 A. Buddy Rizer, 43777 Central Station Drive, Suite 300, Ashburn, Virginia 20147.

16 **Q. WHAT IS YOUR OCCUPATION?**

17 A. Executive Director of Economic Development for Loudoun County, Virginia.

18 **Q. WHAT IS YOUR EXPERIENCE?**

19 A. I am in my 18<sup>th</sup> year with Loudoun County Economic Development.

20 **Q. PLEASE GIVE A DESCRIPTION OF YOUR EDUCATIONAL BACKGROUND.**

21 A. I have an undergraduate degree from Towson University, a graduate certificate in  
22 local government management from Virginia Tech University, and will complete a  
23 Master's in Business Administration and Economics from Longwood University in  
24 October 2024. Additionally, I am a Certified Economic Developer (CEcD) and  
25 Entrepreneurship Development Professional (EDP).

26 **Q. PLEASE SUMMARIZE LOUDOUN COUNTY'S REQUEST IN THIS**  
27 **PROCEEDING.**

28 A. Loudoun County is committed to maintaining its status as the epicenter of the  
29 world-wide data center industry while balancing its appeal as a historical and rural escape

30 from its urbanized neighbors. To this end, the County is proposing a pilot program that  
31 would allow for strategic undergrounding of a sensitive portion of the proposed Aspen-  
32 Golden Line in Dominion’s SCC applications. This is a forward-thinking initiative  
33 designed to effectively meet the County’s ever-growing electricity needs while  
34 preserving the scenic and historic assets that define the community. The looming  
35 presence of overhead power lines has been shown to significantly decrease property  
36 values and further detracts from the natural beauty and historic charm of the County.

37 By undergrounding power lines, we not only protect these valuable assets, but  
38 also gain numerous benefits. As severe weather events become more common,  
39 underground power lines will provide a more resilient and reliable power infrastructure.  
40 This enhanced reliability is crucial for serving both the data center industry, which plays  
41 a vital role in the County’s economy, and the residents who call Loudoun County home.  
42 This pilot program represents a significant step towards a more sustainable and visually  
43 appealing future for the community.

44 Additionally, the pilot program will produce data and observational insights that  
45 will provide electrical providers with critical technical experience and familiarity with  
46 undergrounding high-voltage transmission lines. This is going to be critical for the long-  
47 term economic prospects of an expanding data center industry in Virginia.

48 Finally, the planning component of the County’s proposed pilot program will  
49 provide greater predictability in infrastructure development and transmission line  
50 placement. Certainty and predictability are catalysts for economic growth, and their  
51 absence threatens that same growth.

52 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

53 A. I am familiar with the data center industry and how it intersects and interacts with  
54 the operations of the County. I am here to provide the County's perspective on  
55 Dominion's proposal and application and offer an alternative that the County believes  
56 will meet everyone's needs.

57 **Q. WHAT IS THE BASIS OF YOUR KNOWLEDGE FOR YOUR TESTIMONY?**

58 A. I have proudly served Loudoun County for more than 17 years, during which I  
59 have envisioned and promoted the meteoric rise of data centers in the County and the  
60 consequent expansion of electrical infrastructure needed to support them. Further, I  
61 actively participated in the development of the Loudoun County 2019 Comprehensive  
62 Plan and am charged with ensuring its successful implementation. My experience has  
63 given me a deep understanding of the balance between fostering economic growth and  
64 preserving the unique character of the community.

65 **II. TESTIMONY**

66 **Q. CAN YOU PROVIDE AN OVERVIEW OF THE GROWTH OF THE DATA**  
67 **CENTER INDUSTRY IN VIRGINIA OVER THE LAST DECADE?**

68 A. Loudoun County began proactively attracting data centers in 2008 as a targeted  
69 industry, and by 2016, Northern Virginia became the largest data center market in the  
70 world. We created a strategic plan to capitalize on the digital infrastructure that came to  
71 be starting with the relocation of AOL to Loudoun in 1997 and relocation of the MAE-  
72 East internet hub shortly after. In 2009, the General Assembly first enacted sales tax  
73 exemptions on computer equipment designed to incentivize data centers to locate in the  
74 state. These incentives have expanded over the last sixteen years, and in 2022 the General  
75 Assembly extended robust tax exemptions out to 2040 and beyond for projects that

76 commit to a certain threshold of capital investment and job creation. In 2023, data centers  
77 in Virginia supported over 75,000 jobs and \$31.4 billion dollars in economic output. Over  
78 the last 15 years, over 40 million square feet of data centers have been built in Loudoun  
79 County alone, with 4 million additional square feet currently under development.  
80 Loudoun is known world-wide as “Data Center Alley”, due to the concentration of  
81 critical digital infrastructure, particularly in Ashburn.

82 **Q. YOU SAY LOUDOUN IS CALLED “DATA CENTER ALLEY.” COULD YOU**  
83 **EXPLAIN WHY THIS COUNTY HAS BECOME SUCH A FOCAL POINT FOR**  
84 **DATA CENTER DEVELOPMENT?**

85 A. Loudoun was one of the first jurisdictions in the country to proactively target data  
86 centers as a targeted industry. When I arrived in Loudoun, only 19 percent of our tax base  
87 was commercial. Loudoun Economic Development identified data centers as a great  
88 opportunity to grow the commercial tax base without a significant drain on county  
89 infrastructure, such as schools and roads. We created programming to support a fast and  
90 predictable time to market. Because there was already a history of technology in the  
91 County, starting with AOL but also including Equinix, Dupont Fabros, UUNet,  
92 MCI/WorldCom and others, we were able to get traction fairly quickly. The County  
93 worked with the industry and members of the General Assembly to offer one of the first  
94 sales tax incentives for data centers, and while that incentive remains effective, more than  
95 30 states now offer a similar incentive program. Northern Virginia continues to be  
96 perhaps the most important data center market in the world, given its close proximity to  
97 Washington D.C., where many major customers of data centers have a large presence.

98 Northern Virginia also has a dense and expanding fiber infrastructure; a well-educated  
99 and skilled workforce; and, historically, relatively low power cost rates.

100 **Q. HOW MANY DATA CENTERS ARE CURRENTLY OPERATIONAL IN**  
101 **LOUDOUN COUNTY?**

102 A. It is challenging to talk about data centers in terms of numbers. If the question is  
103 about number of buildings, there are nearly 200 data centers in Loudoun, which house  
104 over 3,500 technology companies. A better measurement is square feet, where we  
105 currently have about 40 million square feet of data centers with another 4 million square  
106 feet in some stage of development.

107 **Q. HOW MANY ARE PLANNED FOR THE NEAR FUTURE?**

108 A. As I mentioned, there is about 4 million square feet in development with another 8 – 10  
109 million square feet likely beyond that.

110 **Q. WHAT EFFECTS DOES THIS CONTINUED GROWTH HAVE ON THE**  
111 **COUNTY?**

112 A. The growth of the data center industry has completely transformed our economy,  
113 from being 81 percent dependent on residential taxes for government operations to about  
114 51 percent today. Revenue from data centers have allowed Loudoun to lower the real  
115 estate tax rate by 42 cents, per \$100 of assessed value, over the last 15 years while  
116 allowing for increased spending on roads, schools, county services and education. Data  
117 centers represent a significant impact on the County's tax revenues and provides for over  
118 12,000 jobs in Loudoun. Data centers have also accelerated the formation of other  
119 businesses throughout Northern Virginia. The growth has also impacted infrastructure  
120 needs, most significantly the demand for electrical infrastructure. Electrical demand in

121 the area has grown exponentially, right alongside the number of data centers. According  
122 to the U.S. Department of Energy, a single data center consumes anywhere from 10 to 50  
123 times the energy per floor space of a typical commercial office building. Collectively,  
124 data centers account for almost 2% of electricity use in the United States.

125 It has been estimated that 70% of global internet traffic goes through “Data  
126 Center Alley,” and the internet does not have set hours. These facilities are running 24  
127 hours a day, seven days a week. A recent report from PJM Interconnection, the entity that  
128 coordinates electricity transmission throughout the mid-Atlantic, projects that demand  
129 growth for electricity in Virginia will more than double peak load by 2040. This  
130 unprecedented demand will require major infrastructure updates and construction of new  
131 substations and transition lines to accommodate.

132 **Q. WHAT ARE THE CURRENT PLANS FOR THE CONSTRUCTION OF THESE**  
133 **LINES?**

134 A. The PJM Board of Managers approved a set of proposed projects to expand the  
135 regional transmission system to accommodate demand growth, specifically tied to the  
136 impacts of new data centers, in December of last year. In early August, PJM approved a  
137 route that proposed to use existing rights-of-way that cut across the tip of Loudoun  
138 toward Maryland and then swing south toward Leesburg. The majority of that project will  
139 be undertaken by First Energy with portions built by Dominion and Exelon.

140 **Q. WHAT IS THE PUBLIC SENTIMENT ON THESE PROPOSALS?**

141 A. The citizens of Loudoun County are expressing significant concern about the  
142 impact that further above-ground transmission lines will have on their community. With  
143 hundreds of miles of these lines already crisscrossing the County, citizens are hoping for

144 a thoughtful approach to future development. Numerous comments from the community  
145 reflect a growing movement to explore alternatives to traditional transmission lines.  
146 Organizations such as the Lansdowne Conservancy, Waterford Foundation, Loudoun  
147 Transmission Line Alliance, and Piedmont Environmental Council have organized public  
148 meetings to oppose these proposals, driven by a strong desire to prevent overhead  
149 transmission lines from dominating the landscape and causing irreparable harm to  
150 historic, economic, and natural resources in Loudoun. The community opposition was  
151 key in PJM's decision to approve an alternate route for delivery.

152 **Q. WHAT MEASURES CAN BE TAKEN TO PROTECT LOUDOUN COUNTY'S**  
153 **SCENIC ASSETS FROM THE IMPACT OF HIGH-VOLTAGE POWER LINES?**

154 A. Where appropriate and feasible, undergrounding may provide a reliable and long-  
155 lasting energy transmission solution that is less prone to outages with minimal disruption  
156 to the look and feel of the community at large. This approach will preserve the landscape  
157 for current and future residents and maintain the history and beauty of the County.  
158 Additionally, it supports a reliable and sustainable path forward as Virginia works to  
159 meet its energy production and transmission goals. By placing power lines underground,  
160 impact to scenic assets can be minimized while ensuring a resilient and efficient power  
161 infrastructure.

162 **Q. WHAT ARE THE MAIN OBSTACLES TO MORE FREQUENT AND**  
163 **SYSTEMATIC UNDERGROUNDING OF TRANSMISSION LINES?**

164 A. Electrical companies cite the excess costs associated with undergrounding, as well  
165 as feasibility issues, including a real or perceived lack of comparable projects and  
166 familiarity with the technologies necessary to achieve underground placement.

167 Dominion has cited both cost and a lack of comparable projects as grounds for its  
168 decision not to consider undergrounding the projects the Commission is considering  
169 today.

170 **Q. HOW DOES THE COUNTY'S PROPOSED PILOT PROGRAM SEEK TO**  
171 **ADDRESS THESE OBSTACLES?**

172 A. Regarding the shortage of comparable projects, the County proposes the  
173 identification of between three (3) and five (5) pilot projects which will provide the  
174 comparable projects needed to develop standards and familiarity with requisite  
175 technologies. In the County's opinion, the underground project the County proposes in  
176 this case would make an ideal first project in that cohort.

177 As for the excess cost, the County believes that a special customer class, made up  
178 of high-wattage customers, would be proper for the Commission to consider. The  
179 increase in electrical demand can be directly traced to the connection of an identifiable  
180 class of such high-wattage users to the grid. It is in the public interest for the  
181 Commission to shift the cost of undergrounding some of these lines to the high-wattage  
182 customers creating the demand for them. The electrical providers have proven unwilling  
183 to adopt undergrounding at the rate needed to prevent irreparable damage to community  
184 assets, scenic, cultural, and historical.

185 **Q. WHY IS IT IMPORTANT FOR LOUDOUN COUNTY TO INVEST IN THE**  
186 **RESEARCH AND DEVELOPMENT OF NEW UNDERGROUNDING**  
187 **TECHNOLOGIES FOR POWER TRANSMISSION?**

188 A. There is a compelling need to further explore and learn about new  
189 undergrounding technologies to drive down costs and expand our knowledge base.



190           Advancements in underground power transmission can significantly reduce the financial  
191           barriers that currently limit the widespread adoption of this approach. By investing in  
192           research and development, we can discover more cost-effective methods and materials,  
193           making undergrounding a more feasible option for protecting our scenic, cultural, and  
194           historic assets. Additionally, expanding our understanding of these technologies will  
195           enable us to implement best practices to ensure that our infrastructure is not only reliable  
196           and resilient but also aligned with the community’s commitment to a sustainable future.  
197           Embracing innovation in energy generation, storage, usage and delivery technologies will  
198           position us at the forefront of sustainable and aesthetically considerate power solutions,  
199           without a prohibitive increase in power costs landing on the average consumers’  
200           shoulders.

201   **Q.   DO YOU HAVE ANYTHING FURTHER TO ADD?**

202   A.   Not at this time.

203   **Q.   THANK YOU, MR. RIZER.**