Stan, thanks so much for being with me. What fundamental role do data centers play in today's digital age and how do they serve as the backbone of the modern information economy, facilitating seamless connectivity, storage, and processing of vast amounts of data?

Stan Blackwell (03:43):

Thank you, Nadia. I like to give a very simple explanation to this. It's not an engineering explanation, it's a user explanation. So most of what people do on a smartphone today is... The information behind that is processed in a data center, so if you wanna look up the weather in Tahiti or you're gonna drive to, to, uh, New York and you put in Waze or whatever other navigation software, all of the information for weather and navigation is sitting in a data center and so your smartphone is a communication device. It goes out, gets the infor-... the updated information from that data center. Uh, if you wanna see pictures of landmarks, it'll download that.

(04:34):

And so the way I would answer it is data centers are the backbone and they're enabling the sharing of information in a mobile environment, and that kind of evolution is continuing. Uh, if you think back 10 years ago about at the beginning of when, when cellphone technology, a little before that, was coming out, everybody had a camera at the time. It was probably a digital camera, had no connection to a smartphone. You never see anybody carrying a digital camera today because it's all on your smartphone, and technology and the use of data centers as the backbone continues to evolve to where you have one device that can provide all these services and those services are inherent in the data centers that are behind those devices, and so they truly are the backbone, uh, to use your term, and that evolution continues and we're seeing more and more greater use from, uh, from data centers in our everyday life, and that's gonna continue.

Thanks for that explanation, Stan. Most of the data center industry is located in Northern Virginia, Stan. Do you see that changing, and how have these data center projects positively impacted the local communities both economically and from a growth standpoint?

Stan Blackwell (06:37):

So Northern Virginia, uh, by itself is the largest data center market in the world by a long shot. You can add up the next four to five largest US data center markets and those combined still are not as long as Northern Virginia, so we are the largest market in the world, and therefore the majority of our data center business in Dominion's service territory today is in Northern Virginia, in a handful of counties in Northern Virginia, but that's changing and we're starting to see a migration south. It's kinda moving south out of Northern Virginia. It's going down the I-95 corridor. Richmond has some data center presence, and we have some in rural Southside, and that migration is underway today and will continue.

(07:41):

In fact, artificial intelligence is one of the enablers. Uh, there's a portion of artificial intelligence, it's the training of models' aspect of artificial intelligence. You can take that and put that type of data center anywhere in a rural area because it's not as fiber dependent, latency is not as important, and so we have really two causes driving or moving the industry out of the traditional Northern Virginia area. One is, uh, as technology evolves and you need more open land to build data centers, they're moving south, and second is artificial intelligence, the training aspect is enabling the ability to put data centers in remote rural areas, and so that's underway today and that's underway and, we're seeing quite a bit of that movement today.

(08:39):

Now, it needs to be clear, Northern Virginia is still going to remain the largest market in the world. We have a significant amount of development underway there and it will continue, but we're seeing this migration. Uh, to the local communities that host data centers, a data center is no different than any large business, commercial, industrial, manufacturing. I- it's kind of independent data centers bring jobs, they bring investment, and they bring tax, a tax base to those communities, and so, uh, you know, economic development in any community is good. It supports the tax base, allows for better roads, schools, infrastructure, and our data center industry today is certainly growing. It's the fastest growing industry in the world, and so it's providing a lot of benefits to the communities where, where they locate.

Nadia Ely (09:37):

Truly a domino effect, Stan. Thank you for that explanation. Let's talk sustainability now. What collaborative efforts are underway to ensure our data center projects align with Dominion Energy's sustainable energy goals?

Stan Blackwell (09:52):

The data center industry as a whole, they're the driver.It's probably the industry that's driving sustainability, the most,, because it's growing so fast and all of the big data center companies have established sustainability targets, and so the big difference between a utility like Dominion, uh, uh, is we in Virginia are complying with the Virginia Clean Economy Act of 2020 and that, that, uh, state law says over the next 15 years, we as a, a utility are gonna build or buy about 16 gigawatts of solar, uh, and we're gonna build about 2.6 gigawatts of offshore wind, but the key point in there is we're gonna do that over 15 years.

(10:56):

Our largest customers, and let me focus on data centers, many of them have goals of, "By 2025, I wanna be a 100% renewable, 100% carbon free or by 2030." They each have different years for their company when they wanna achieve those goals, and so we work with our data center customers because it's a matter of time. Dominion may get there in 15 years. They want it now, and so we share that information so that if they need to procure renewable energy certificates to fill in the gaps, they can do so and it's timing, but ultimately we go out to them and say, "What new products would you like to see? We're, we're thinking about pursuing this. Do you have an interest in a partnership to advance new technologies?" We do quite a bit of work. We get great ideas from the industry, and, uh, that partnership will help all of us see a, uh, more sustainable future, uh, together.

Nadia Ely ([12:08](#)):

Thank you, Stan. What proactive measures are being implemented to address any potential challenges or conflicts between the growing demand for data centers and the needs of local communities in Dominion Energy service areas?

Stan Blackwell ([12:23](#)):

You know, it's true for any state. We certainly have that in Virginia. There are some counties or communities that are anti-growth. They, you know, th- their constituents or, or the folks that live in those communities, they made a decision that they want to preserve nature, and there's nothing wrong with that. We- we're a democratic society, and so if a county or city is anti-growth, that's okay. the best in class approach to that is those counties or cities be upfront with all industries, whether it's data centers, manufacturing, industrial, and let them know that, "We're not as a county or, or city interested in this kinda economic development." And if they do that, you prevent some of the public, uh, issues that may come about from large-scale developments.

([13:21](#)):

There are other communities that are raising their hand and, and saying, "Come here. We want your business." And that's another best in class because it's pointing out or helping industry, data centers or any other segment, go there and do development because there's a positive, uh, local government and positive community outreach to secure those businesses, and so to me or in... From what I see in best practices is the fact that the local governments raise their hand and say, "Hey, I want you to come here or I don't," informs everybody and, uh, and then steers development where it needs to go. And those folks that are raising their hands, once they get that investment, they establish a tax base and that helps enrich that community, schools, roads, et cetera, uh, helps enrich their community to progress in the future. And so, it's, it's a joint effort. You need, uh, you need three parties. You need the customer who wants to build a facility, you need the utility, Dominion Energy, to provide power, and you need a local government that says, "I like development." And that three-way partnership is the path to success.

Nadia Ely ([16:01](#)):

Thanks for that insight, Stan. Last question. In your opinion as a subject matter expert, what will be the impact of artificial intelligence on the data center industry? You touched on it earlier, but can you expound upon that a little bit?

Stan Blackwell ([16:16](#)):

Artifical intelligence is the current technology that's driving growth in the industry, and it'll be substantial, but here's a, a perspective about the data center industry. So if you think back to the very first TVs, and that technology was developed I believe in the '50's, and the original TVs were... uh, had cathode-ray tubes, uh, you got about two or three channels and it was really big, very... It, it was a piece of furniture, and you would think in today's world the, the market for televisions would be, uh, saturated and people wouldn't buy any more. Well, the fact is technology has continued to evolve since TVs first came out, and so if you go into a local big-box store, warehouse store, you can get 4K TVs, smart TVs, curved screen TVs. There's all kinds of technology in TVs today, and]televisions have been around, like I said, for 50+ years.

([17:27](#)):

Well, what we're seeing in the data center industry is the evolution of technology that's continuing to drive growth in this industry. I'll go back to you used to have a digital camera unrelated to your first cellphone. Now it's inherent in there, and so one technology now can use... u- upload photos to data centers. Used to not have that. Uh, it has evolved in COVID. We had Zoom and Teams and Webex and different, uh, virtual video platforms. They really weren't used prior to COVID. That was a technology that drove growth, my point being artificial intelligence is here today and it is the latest technology that's projected to growth for the next 10 years. What's on the horizon beyond that? There will be something, virtual reality, uh, you know, augmented reality, self-driving cars. They're not here today, uh, but all of that type of technology as they come will be run out of a data center.

([18:40](#)):

It just happens to be artificial intelligence is the hottest technology today, and we and other big data center markets are certainly gonna see robust growth from the introduction of artificial technology. [inaudible 00:18:55] companies are just... The technology hasn't been out long and so companies are just incorporating that into their work processes, so there's a lot of growth to come as companies implement, uh, artificial intelligence tools and then employees learn how to use them to make their, uh, make their, uh, job more productive, and so, uh, it's... I- I'd close by saying it's gonna have an impact and it's the hottest technology today.