



## **CERTIFIED MICROGRID DEVELOPMENT PROGRAM**

In 2025 the State of West Virginia passed H.B. 2014, the first-of-its-kind legislation that permits the operation of microgrids to power high-impact data centers. To qualify as a “microgrid district” or a “high-impact data center” under the legislation an applicant must obtain a certification from the Secretary of the Department of Commerce. The following is a summary of H.B. 2014 as it relates to microgrids:

**Requirements for District Certification** - A microgrid operating under this program must be located within a microgrid district. A microgrid district may be certified upon a showing that: (1) it will have a significant and positive economic impact on the state; (2) it is necessary to attract at least two businesses to locate or expand in this state; (3) it will comprise a nearly contiguous area not exceeding 2,250 acres; (4) it will only generate electricity that will be used within the microgrid district or will be delivered to the wholesale market; and (5) greater than 70% of the electricity generated within the microgrid district will be consumed by one or more high impact data centers.

**Operations within Microgrid District** – An entity generating electricity within a certified microgrid district:

- (1) **Will** be able to qualify as an exempt wholesale generator under federal law **without** being subject to the Public Service Commission's siting certificate requirements;
- (2) **Will not** be subject to the jurisdiction of the Public Service Commission with respect to rates, obtaining a certificate of convenience and necessity, conditions of service or customer complaints;
- (3) **Will not** be subject to state net metering and interconnection standards;
- (4) **May not** provide electric service for purposes of encouraging businesses already receiving electric service from a regulated utility in this state to relocate to the certified microgrid district; and
- (5) **May not** deliver more than 10% of the electricity generated within the certified microgrid district to the wholesale market.

**Electrical infrastructure costs** - An eligible plant or facility choosing to locate and operate within a microgrid district is not required to connect with and use any public electric utility. However, regulated electric utility customers cannot bear any costs associated with any electricity generation, transmission or distribution facilities that provide electrical service to a microgrid district. These costs are to be borne by the generator or electricity consumers situated within the microgrid district.

***Microgrid District Letter of Intent*** - To become a certified microgrid district the entity must present the Secretary of the Department of Commerce with a letter of intent that identifies:

- (a) the size, scope, and nature of the target customers of the project
- (b) the approximate proposed acreage and location of the project
- (c) the estimated capital investment
- (d) evidence of financial capacity
- (e) estimated project completion date,
- (f) major project milestones,
- (g) estimated generation capacity,
- (h) estimated power loading internal to the microgrid,
- (i) estimated power, including backup power, needed from the local distribution electric utility,
- (j) estimated power supplied to the wholesale market, and
- (k) the types or sources of each electric power generation unit.

The letter of intent will be confidential and exempt from the state's Freedom of Information Act disclosure requirements.

At least 120 days before submitting a letter of intent, an applicant seeking a microgrid district certification must make good-faith efforts to negotiate for the supply of all or part of its electricity needs for the project from the local electric utility. The letter of intent must also include documentation evidencing the good-faith efforts to negotiate. This time-period limitation and negotiation requirement ***does not apply*** to microgrid districts proposing to produce **300 megawatts** or more of electricity or for microgrid districts that are proposing to ***not be connected*** in any way to the local distribution electric utility after completion of all construction.

If you have any questions or need assistance in regard to obtaining a microgrid district certification, please call **Chris Morris**, Director of the West Virginia Data Economy Office, at **681-245-9575** or e-mail him directly at: [Christopher.G.Morris@wv.gov](mailto:Christopher.G.Morris@wv.gov)