

August 19, 2026

DRAFT FACT SHEET

Virginia Water Protection (VWP) Individual Permit No. 25-2090
Powerhouse 95 Phase II, Spotsylvania County, Virginia

DEQ has reviewed the application for the VWP Individual Permit No. 25-2090 and has determined that the project qualifies for an individual permit.

The following details the application review process and summarizes relevant information for developing the Part I - Special Conditions for permit issuance.

1. Contact Information:

Permittee Legal Name and Address:

Powerhouse 95 LLC
Attn: Douglas Fleit
1660 International Drive, Suite 500
McLean, Virginia 22102
marefin@americanrepartners.com
(703) 435-4800

Agent Name and Address:

TNT Environmental, Inc.
Attn: Kayla Simpson
4455 Brookfield Corporate Drive, Suite 100
Chantilly, Virginia 20151
ksimpson@tntenv.com
(703) 466-5123

2. Processing Dates:

Received Application:	September 16, 2025
Received JPA No.:	September 17, 2025
Application Complete:	May 5, 2026
Permit Fee Deposited by Accounting:	August 19, 2026
Processing Deadline (120 days from Complete Application):	Date
1 st Request for Additional Information Sent:	October 1, 2025
Final Request for Additional Information Received:	May 5, 2026

Notification of JPA sent to Local Government(s):	December 29, 2025
Request for comments sent to VDH, VDWR, VDCR, VMRC:	December 29, 2025
Letters sent to Riparian/Adjacent Land Owners:	January 7, 2026
Draft Permit Package Issued:	August 19, 2026
Copy of Public Notice sent to DEQ Central Office:	Date
Copy of Public Notice sent to Local Gov't and Planning District:	Date
Public Notice Published:	Date
End of 30-Day Public Comment Period:	Date
Received Verification of Publication:	Date
If applicable: Public Meeting or Hearing:	Date
Permit Issued [enter date that permit is issued]:	Date

3. Project Location and Site Description:

Describe location: Within the Right of Way along Cosner Drive, Mills Drive, and Davenport Road and west of Cosner Drive in Spotsylvania County, Virginia.

City/County:	Spotsylvania County
Waterbody:	UT of Massaponax Creek
Basin:	Rappahannock River
Subbasin:	Lower Rappahannock River
Section:	4
Class:	III (Nontidal Waters)
Special Standards:	None
HUC:	02080104
Latitude & Longitude:	38.21615/-77.430767
U.S.G.S. Quadrangle:	Guinea
State Watershed No.:	RL_03_305480

The terrain of the project site consists of gentle slopes and level areas and is within Massaponax Creek drainage basin. The project site contains roadways and the partially completed structures from the Powerhouse 95 (WP4-23-2514) project. The remaining areas of the site are wooded or lawn.

4. Application

The application for this project consists of the Joint Permit Application (JPA) received on September 16, 2025, additional information submitted by the applicant on December 2, 2025, December 29, 2025, and May 5, 2026, including all associated appendices, and all other information submitted by the applicant to DEQ. This information will be hereto referred to as the “application.”

5. Project Purpose:

The purpose and need narratives for the project are provided in Section 3 and Appendix IV, of the JPA documents along with additional information received December 2, 2025. The purpose of the project is for the completion of the construction of Phase I (authorized under WP4-23-2514) as well as construction of Phase II of the Powerhouse data center campus. The project proposes construction of seven (7) buildings, substations, access roads, and other associated infrastructure necessary to meet the growing data demands in the region.

6. Project Information and History:

The first phase of the project was previously permitted under WP4-23-2514 and included four (4) data center buildings, equipment yards adjacent to the buildings, substation, onsite water storage and treatment facilities, stormwater management facilities, parking areas, roadways, and necessary utilities. As compensation for the first phase, the Permittee was required to purchase 1.18 wetland credits.

7. Avoidance and Minimization Efforts:

7.1 Off-Site Alternatives

In evaluating potential project sites, the Applicant applied the following criteria that were necessary for the proposed project’s purpose and need:

- A single tract of land within Spotsylvania County
- Land zoned for data centers with the allowance of multi-story buildings
- A property to allow for a minimum of 1.5 million square feet of data center space
- Existing major utility services
- Infrastructure on, adjacent to, or in proximity to the property

A site must have met all the above parameters to be suitable to meet the purpose and needs of the project. A site found to meet the criteria while comprising the least amount of surface water impacts is the preferred site to facilitate further on-site analysis of the least environmentally damaging practicable alternative (LEDPA). The information provided below is based on data the applicant provided.

Alternative 1: RCK Digital Crossroads

Purpose: Per the JPA, Alternative 1 does not meet the purpose.

Surface Water Impacts: The RCK Digital Crossroads would have less surface water impacts; however, there are multiple architectural resources that would potentially be impacted at this location.

Cost: Economical constraints affecting the practicality of this site were indicated in the JPA. Per the JPA, the RCK Digital Crossroads site would cost more than the chosen location.

Technology: Technological constraints affecting practicality of this site were identified in the JPA

Logistics: Logistical constraints were identified in the JPA due to historical resources.

Alternative 2: Massaponax Church

Purpose: Per the JPA, Alternative 2 does not meet the purpose.

Surface Water Impacts: The Massaponax Church location would likely have more surface water impacts.

Cost: Per the JPA, the Massaponax Church site is owned by another data center company and is not currently for sale.

Technology: The location does meet the technical requirements necessary for this project.

Logistics: Due to the site not being for sale, Massaponax Church does not meet the logistical requirements for the project.

Alternative 3: Copart of Connecticut

Purpose: Per the JPA, Alternative 3 does not meet the purpose.

Surface Water Impacts: The Copart of Connecticut location would likely have less surface water impacts.

Cost: Economical constraints affecting the practicality of this site were indicated in the JPA. Per the JPA, the Copart of Connecticut site would cost more than the chosen location.

Technology: Technological constraints affecting practicality of this site were identified in the JPA

Logistics: Logistical constraints were identified in the JPA due to the need for a archeological survey.

7.2 On-Site Alternatives

Alternative 1: One substation rather than two

Purpose: Due to this Alternative not producing enough power, the purpose of the project would not be met.

Surface Water Impacts: The Alternative results in fewer wetland impacts; however, it does not represent a feasible option due to lack of grid power and insufficient land to construct facilities needed to meet power demands.

Cost: The estimated cost of building the four buildings in the layout, as opposed to the three in the preferred alternative, is expected to be higher.

Technology: Each substation can power up to 3-4 buildings, depending on size and configuration, meaning another substation would be required. The lack of power availability would render this Alternative infeasible.

Logistics: No stormwater management was considered in this layout. A second entrance, which is now required by the tenant, is also not shown in this layout, as this layout predates the current tenant's requirements for the site. Due to this Alternative not including required aspects of the development, it is not logistically viable.

Alternative 2: A smaller second substation

Purpose: Due to this Alternative not producing enough power, the purpose of the project would not be met.

Surface Water Impacts: The Alternative results in fewer wetland impacts; however, it does not represent a feasible option due to lack of power.

Cost: The estimated cost of building the four buildings in the layout, as opposed to the three in the preferred alternative, is expected to be higher.

Technology: Although this Alternative proposes two substations, the second substation is not adequately sized for the project.

Logistics: No stormwater management was considered in this layout. A second entrance, which is not required by the tenant, is also not shown in this layout, as this layout predates the current

tenant's requirements for the site. Increased cost, inefficient power, and lack of necessary infrastructure make this Alternative infeasible.

Alternative 3: A smaller second substation option

Purpose: Due to this Alternative not producing enough power, the purpose of the project would not be met.

Surface Water Impacts: The Alternative results in fewer wetland impacts; however, it does not represent a feasible option due to lack of grid power and insufficient land to construct facilities needed to meet power demands.

Cost: The estimated cost of building the four buildings in the layout, as opposed to the three in the preferred alternative, is expected to be higher.

Technology: Although this Alternative proposes two substations, the second substation is not adequately sized for the project.

Logistics: Although a second entrance is included in this Alternative; no stormwater management was considered in this layout. Increased cost, inefficient power, and lack of necessary infrastructure make this Alternative infeasible.

Alternative 4: Removal of a building and a second substation

Purpose: Due to this Alternative not producing enough power, the purpose of the project would not be met.

Surface Water Impacts: The Alternative results in fewer wetland impacts; however, it does not represent a feasible option due to lack of power.

Cost: The costs to develop this layout would be lower because of fewer buildings, but the price per building would be higher when including the cost to build/develop the substation pad and other required infrastructure.

Technology: Although this Alternative proposes two substations, the second substation is not adequately sized for the project.

Logistics: If an additional substation was added to this layout, there would be a lot of stranded (unused) power. Power costs are fixed, and spreading those costs across fewer buildings would render the project infeasible. Substation costs are approximately \$65+MM and with this version, the applicant only uses approximately half of the power generated, which would result in a sunk and unrealized cost of approximately \$32.5MM, which would render the project infeasible.

Alternative 5: Larger Buildings

Purpose: Alternative 5 meets the purpose of the project; however, the inefficiency and additional surface water impacts make this option infeasible.

Surface Water Impacts: The Alternative will likely result in additional surface water impacts when stormwater management and grading are considered.

Cost: The cost of this layout is higher due to building sizes being larger and the costs are higher on a per square foot basis. The larger the building, the larger and deeper the foundation needs to be to spread the load/weight. The design engineers also have less flexibility with the grading of the site, which can lead to increased clearing limits for the project, and therefore additional impacts to surface waters.

Technology: Although this Alternative should provide enough power for the project, buildings of this magnitude are inefficient to cool with the technology to be employed (water cooled vs. air cooled), therefore it is an inefficient use of power to try to cool this large of a building.

Logistics: Given the size of the building, it takes operation teams significantly longer to get to the source of an issue, which can increase the downtime and may significantly impact their customers. This Alternative is also missing a sufficiently sized substation which would likely result in additional impacts in the northeastern portion of the site.

For additional information, see appendix IV, page 11 of the JPA dated August 14, 2025, and the additional information responses dated December 2, 2026, December 17, 2026, December 29, 2026, and May 6, 2026.

Based upon staff review, the proposed plan represents the least environmentally damaging practicable alternative, and all unavoidable permanent impacts will be adequately mitigated through the proposed compensation plan.

8. Project Impacts:

This permit authorizes surface water impacts as follows:

- Permanent impacts are to 1.17 acre of palustrine forested (PFO) wetland, 2.01 acre of palustrine emergent (PEM) wetland, and 0.06 acre (693 linear feet [LF]) of stream channel.
- Temporary impacts are to 1.62 acre of palustrine open (POW) water and 0.01 acre of PEM wetland.

- Authorized surface water impacts described under this condition shall be as depicted on the impacts map entitled *Overall Impacts Map to Waters of the U.S.*, last revised April 23, 2026, and received May 5, 2026.

9. Compensation for Unavoidable Impacts:

As compensation for permanent wetland impacts, the permittee shall purchase 3.17 wetland mitigation credit(s). As compensation for permanent stream impacts, the permittee shall purchase 1026 USM stream mitigation credits. All compensatory mitigation credits shall be purchased from a DEQ approved mitigation bank, an approved in-lieu fee (ILF) program, or a combination thereof as specified below. The bank or program must be authorized and approved by DEQ to sell credits in the area in which the impacts will occur and have credits available (as released by DEQ). Any credit sale shall be in accordance with the approved Mitigation Banking Instrument or ILF Program Instrument. Purchase of required mitigation credits shall occur first through the purchase of available released credits followed by the purchase of advance credits. Multiple banks may be used to fulfill compensation requirements. As compensation for the first phase (WP4-23-2514), the Permittee was required to purchase 1.18 wetland credits.

The compensation package complies with § 62.1-44.15:21 and § 62.1-44.15:23 of the Code of Virginia.

10. Relevant Regulatory Agency Comments:

As part of the application review process, DEQ contacted the appropriate state regulatory agencies and coordinated with various federal regulatory agencies, including the U.S. Army Corps of Engineers (USACE). Any relevant agency comments were addressed in the VWP individual permit Part I - Special Conditions. Therefore, the staff anticipates no adverse effect on water quality and fish and wildlife resources provided the applicant adheres to the permit conditions.

Summary of State Agency Comments and Actions

By email/letter dated December 29, 2025, comments were requested from the following state agencies: Virginia Department of Wildlife Resources (DWR), Virginia Department of Conservation and Recreation (DCR), Virginia Marine Resources Commission (VMRC), and Virginia Department of Health (VDH). Failure to provide comments within 45 calendar days of the DEQ request for comments infers that the agency has no comments on the project activities. Comments were not received from VDH.

DCR

DCR provided the following comments in a memorandum dated February 10, 2026, and transmitted by email on February 12, 2026 and August 5, 2026:

- Recommends the implementation of and strict adherence to applicable state and local erosion and sediment control/storm water management laws and regulations.

Oversight of stormwater management and erosion and sediment control measures is the responsibility of DEQ-Stormwater Management or the locality, if such responsibility has been delegated. Any such requirements will be implemented under the oversight of that program.

- Recommends coordination with DWR and U.S. Fish and Wildlife Service as those agencies have regulatory authority for the management and protection of the identified threatened and endangered species.

Staff requested comments from DWR on the proposed project on December 29, 2025.

DWR

DWR provided comments to DEQ by email on February 6, 2026.

- Recommended adherence to a time of year restriction from May 15th -July 31st for tree removal/cutting/clearing
- Recommended adherence as appropriate to the conservation measures included within our “Best Management Practices for Conservation of Little Brown Bats and Tri-colored Bats”
- Recommend that the permittee avoid and minimize impacts to undisturbed forest, wetlands, and streams to the fullest extent practicable to minimize overall impacts to wildlife and our natural resources. DWR also recommended maintaining undisturbed naturally vegetated buffers of at least 100 feet in width around all on-site wetlands and on both sides of all perennial and intermittent streams.
- Recommended conducting any in-stream activities during low or no-flow conditions, using non-erodible cofferdams or turbidity curtains to isolate the construction area, blocking no more than 50% of the streamflow at any given time, stockpiling excavated material in a manner that prevents reentry into the stream, restoring original streambed and streambank contours, revegetating barren areas with native vegetation, and implementing strict erosion and sediment control measures.
- Recommended protecting from impacts a naturally vegetated buffer of at least 100 ft on both sides of all intermittent or perennial streams, including those known to support wild trout or anadromous fishes.
- We recommend protecting from impacts a naturally vegetated buffer of at least 100 ft on all sides of any wetland.
- Recommended that all tree removal and ground clearing adhere to a time of year restriction protective of resident and migratory songbird nesting from March 15 through August 15 of any year.

This time of year restriction was not included in the permit as it's not associated with a threatened or endangered species. The recommendation was forwarded to the permittee for their consideration.

- Recommended that the stormwater controls for this project be designed to replicate and maintain the hydrographic condition of the site prior to the change in landscape.

Oversight of stormwater management and erosion and sediment control measures is the responsibility of DEQ-Stormwater Management or the locality, if such responsibility has been delegated. Any such requirements will be implemented under the oversight of that program.

- Recommended that all tree removal and ground clearing adhere to a time of year restriction protective of resident and migratory songbird nesting from March 15 through August 15 of any year.

This time of year restriction was not included in the permit as it's not associated with a threatened or endangered species. The recommendation was forwarded to the permittee for their consideration.

- Recommended adherence to erosion and sediment controls during ground disturbance.

Oversight of stormwater management and erosion and sediment control measures is the responsibility of DEQ-Stormwater Management or the locality, if such responsibility has been delegated. Any such requirements will be implemented under the oversight of that program.

VMRC

VMRC provided a letter transmitted by email on October 1, 2025, stating no authorization is required by VMRC.

11. Riparian and Adjacent Property Owner Notification:

Staff notified owners of properties located adjacent to the impact area and within one-half mile downstream of each distinct impact area by letter dated January 7, 2026. Notifications were conducted in accordance with DEQ guidance and the Code of Virginia.

Summarize significant responses [or if applicable, insert: The applicant owns the property adjacent to and within one-half mile downstream of each distinct impact area.]

12. Public Comment [if applicable: and Public Hearing]:

The public notice was published in Newspaper Name on Date. The public comment period ran from Date to Date.

[Choose one and make appropriate edits: No public comments were received during the public comment period. Therefore, no changes have been made to the permit conditions.]

Or

[# public comment letters were received. However, no substantial or disputed issues were presented that warranted revisions to the draft conditions of the permit.]

Or

[# responses were received from the public: two opposed the permit and five requested protection of wetlands. Due to the public response, a public hearing was held on Date.]

Summarize hearing events and comments. [Ex.: A summary of citizen comments and staffs' responses are included as Attachment A to this fact sheet. In response to citizen comments, and comments received from DCR on Date(s), staff made the following changes to the draft permit. List changes.]

13. Special Conditions:

The following conditions were developed to protect instream beneficial uses, to ensure compliance with applicable water quality standards, to prevent significant impairment of state waters or fish and wildlife resources, to provide for no net loss of wetland acreage, and to provide no net loss of functions in all surface waters through compensatory mitigation and monitoring and reporting.

Section A Authorized Activities

Nos. 1-3 addresses the activities authorized by this permit, including impact types and limits.

Section B Permit Term

Nos. 1-2 address the permit term and re-issuance process to ensure that all permit conditions are completed.

Section C Standard Project Conditions

No. 1 addresses the requirement for the minimization of adverse impacts to instream beneficial uses.

No. 2 addresses unlawful or incidental takes of threatened or endangered species that are protected by Virginia laws or regulations and requires that the permittee adhere to time-of-year restrictions recommended by the Department of Wildlife Resources for the protection of Northern Long-Eared Bats.

No. 3 ensures that the project will be executed in a manner that limits the disruption of the movement of aquatic life.

- No. 4 ensures that downstream flows will be maintained to protect both instream and off-stream beneficial uses.
- No. 5 ensures the minimization of adverse effects on navigation.
- No. 6 ensures the passage of high flows.
- No. 7 requires maintenance of continuous flow of perennial springs for the protection of instream beneficial use.
- No. 8 ensures that dredging and filling operations will minimize stream bottom disturbances and turbidity.
- No. 9 requires instream activities to be conducted during low-flow conditions to protect instream beneficial uses.
- No. 10 requires erosion and sedimentation controls to be designed in accordance with the Virginia Erosion and Sediment Control Handbook, Third Edition, 1992.
- Nos. 11 through 13 provide requirements and limitations on the entry of various materials (including concrete, fill, construction and waste material, fuels, lubricants, and untreated stormwater runoff) into state waters.
- Nos. 14 and 15 limit the use of machinery and equipment in surface waters to protect beneficial uses.
- Nos. 16 through 20 require temporary disturbances to surface waters during construction to be avoided and minimized to the maximum extent practicable and the restoration of such temporary disturbances.
- No. 21 prohibits the violation of Water Quality Standards in surface waters as a result of project activities.
- No. 22 requires the identification of all non-impacted surface waters in the vicinity of the proposed activity to prevent unpermitted impacts.
- Nos. 23 through 27 set forth all reporting requirements concerning construction, monitoring, compensation, and restoration as required by current law and regulations.

Section D Stream Modifications, Including Intake/Outfall Structures

- No. 1 prohibits the use of stream substrate for erosion control to avoid additional impacts to state waters.
- No. 2 requires upland disposal of material removed from stream substrate to avoid unpermitted impacts to surface waters.
- No. 3 ensures riprap placement conforms to current law and regulation.
- Nos. 4 and 5 direct the placement and contents of materials for the construction of submerged structures, and on-bank storage and staging of materials, to protect water quality and fish and wildlife resources.
- No. 6 addresses the requirements for stream channelization or relocation to avoid additional impacts to state waters.

Section E Installation of Utilities

- No. 1 requires the minimization of disturbance to surface waters and restoration to preconstruction conditions following utility line installation.
- No. 2 sets a 90-day time limit for temporary sidecasting during trench excavation to minimize impacts to surface waters.
- No. 3 provides the requirements for trench construction to avoid the drainage of surface waters.

Section F Road Crossings

- No. 1 provides specifications for access road construction to minimize adverse effects to surface waters.
- No. 2 ensures pipes and culvert construction is conducted in the dry to protect water quality and wildlife habitat.
- No. 3 requires that temporary impacts be restored immediately following construction to minimize impacts to water quality and fish and wildlife resources.
- No. 4 summarizes the requirement to countersink both inlet and outlet of pipes and culverts.
- No. 5 ensures reestablishment of the stream channel after countersinking culverts in streams.
- No. 6 dictates when and how stream bottom elevations at road crossings shall be measured.

Section G Stormwater Management Facilities

- No. 1 defines the general requirements for stormwater management facility construction to minimize adverse effects to aquatic resources and provide for long-term aquatic resources protection and enhancement.
- No. 2 requires correct draining methods to minimize sedimentation of surface waters.
- No. 3 provides limits and guidance for maintenance excavation to avoid unpermitted impacts to surface waters.

Section H Project Construction Monitoring and Submittals (Impact Site)

- Nos. 1 through 6 address monitoring and submittals required for pre-construction, during construction and post-construction for the impact areas on site.

Section I Compensatory Mitigation

- No. 1 describes the compensatory mitigation required to mitigate for the permitted impacts.

14. General Conditions:

The general conditions specified in the effective VWP Permit Program Regulation 9VAC25-210 apply to all VWP individual permits.

15. General Criteria (9VAC25-260-20.A):

State waters, including wetlands, shall be free from substances attributable to sewage, industrial waste, or other waste in concentrations, amounts, or combinations which contravene established standards or interfere directly or indirectly with designated uses of such water or which are inimical or harmful to human, animal, plant, or aquatic life.

Specific substances to be controlled include, but are not limited to: floating debris, oil, scum, and other floating materials; toxic substances (including those which bioaccumulate); substances that produce color, tastes, turbidity, odors, or settle to form sludge deposits; and substances which nourish undesirable or nuisance aquatic plant life. Effluents which tend to raise the temperature of the receiving water will also be controlled. Conditions within mixing zones established according to 9VAC25-260-20.B do not violate the provisions of this subsection.

16. Staff Findings and Recommendations:

- The proposed activity is consistent with the provisions of the Clean Water Act and State Water Control Law, and will protect instream beneficial uses.
- The permit addresses avoidance and minimization of wetland impacts to the maximum extent practicable.
- The effect of the impact, together with other existing or proposed impacts to wetlands, will not cause or contribute to significant impairment of state waters or fish and wildlife resources.
- The permit conditions address no net loss of wetland acreage and no net loss of functions in all surface waters, through compensatory mitigation and adequately assess compensation implementation via reporting.
- The permit reflects the required consultation with and full consideration of the written recommendations of VMRC, VDH, DCR, and DWR. The staff invited but did not receive comments from VDH.

Staff recommends VWP Individual Permit No. 25-2090 be issued as proposed.