STATE OF NEW YORK

9107

2025-2026 Regular Sessions

IN ASSEMBLY

September 26, 2025

Introduced by M. of A. P. CARROLL -- read once and referred to the Committee on Energy

AN ACT to amend the public service law, in relation to directing the public service commission to provide a class of service for facilities that use large amounts of energy; and providing for the repeal of certain provisions upon expiration thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The public service law is amended by adding a new section 66-x to read as follows:

§ 66-x. Data center cost of service. 1. Definitions. For the purposes of this section:

(a) "Costs of serving" includes, as applicable, the costs incurred by an electric company in providing transmission, distribution, energy, capacity or ancillary electricity services, and any related costs or associated risks with serving a class of retail electricity consumers or a retail electricity consumer.

(b) "Facility" means all buildings, equipment, structures and other stationary items that are located on a single site or on contiguous or adjacent sites and that are owned or operated by the same person or by any person who controls, is controlled by or is under common control with such person.

(c) "Large energy use facility" means a facility that uses or is able to use twenty megawatts or more and is primarily engaged in providing a service described under code 518210 of the 2022 North American Industry Classification System.

2. The commission shall provide for a classification of service for retail electricity consumers that are large energy use facilities. The classification of service must be separate and distinct from classifications of service for other commercial or industrial retail electricity

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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consumers and have its own tariff schedule. Any tariff schedule adopted by the commission for the class must:

(a)(i) Allocate the costs of serving the class of retail electricity consumers that are large energy use facilities to the class in a manner that is equal or proportional to the costs of serving the class; or

(ii) directly assign the costs of serving a retail electricity consumer that is a large energy use facility to the retail electricity consumer;

(b) Meet the same conditions the commission requires for a contract under subdivision four of this section; and

(c) Mitigate the risk of:

(i) other classes of retail electricity consumers paying unwarranted costs; and

(ii) shifting the costs, in an unwarranted manner, of serving a retail electricity consumer that is a large energy use facility to other classes of retail electricity consumers, including costs of an electric company to meet load requirements resulting from the provision of electricity service to a retail electricity consumer that is a large energy use facility.

3. In deciding whether to approve a proposed tariff schedule of an electric company for a classification of service described under subdivision two of this section, the commission shall consider whether the rates:

(a) Result in, or have the potential to result in, increased costs or unwarranted risk to other retail electricity consumers;

(b) Provide for equitable contributions to grid efficiency, reliability and resiliency benefits;

(c) Impede the electric company's ability to meet the clean energy targets or reduce the emissions of greenhouse gases consistent with state policy;

(d) Allow for procurement of or contracts for generation resources that support the electric company's ability to meet the clean energy targets or reduce the emissions of greenhouse gases consistent with state policy; and

(e) Meet any other conditions the commission may require in the public interest.

4. (a) The commission shall require an electric company that is providing electricity service to a retail electricity consumer that is a large energy use facility to enter into a contract with the retail electricity consumer that covers the provision of the electricity service, including, as applicable, transmission, distribution, energy, capacity or ancillary electricity services.

(b) Any contract for the provision of electricity service entered into between an electric company and a retail electricity consumer that is a large energy use facility:

(i) must:

(A) be consistent with the criteria listed under subdivision three of this section;

(B) specify the duration of the contract and be for a duration for ten years or longer;

(C) specify the date or estimated date that the electric company will begin to provide electricity service to the retail electricity consumer;

(D) obligate the retail electricity consumer to pay a minimum amount or percentage, as determined by the commission, based on the retail electricity consumer's projected electricity usage for the electricity

services the electric company is contracted to provide for the duration of the contract; and

(E) meet any other conditions the commission may require in the public interest; and

(ii) may include a charge for excess demand for the electricity services the electric company is contracted to provide that is in addition to the tariff schedule.

(c) If an electric company fails to begin to provide electricity service on or by the date or estimated date specified in a contract entered into under this section due to causes within the electric company's reasonable control, the electric company shall provide the retail electricity consumer notice of the delay as soon as reasonably practicable. A contract entered into under this section may include terms and conditions that address the possibility of a delay due to causes within the reasonable control of the parties to the contract.

(d) A contract, as described under paragraph one of this subdivision, may not prevent the commission from carrying out the commission's duties under this section or any other provision of this chapter.

(e) Nothing in this section is intended to limit or restrict the ability of a retail electricity consumer that is a large energy use facility from using direct access or a green power rate, a voluntary renewable energy tariff or a special contract, as approved by the commission, except the contract must meet the requirements and be consistent with the provisions of this section.

5. The provisions of subdivision four of this section apply to retail electricity consumers that are large energy use facilities that:

(a) Enter into a contract for electricity service with an electric company on or after the effective date of this section; or

(b) Enter into a contract for electricity service with an electric company before the effective date of this section, if the provision of electricity service requires the electric company to make significant investments or incur costs after the effective date of this section that could result in increased costs or risks to other retail electricity consumers of the electric company.

§ 2. No later than September first of each even-numbered year, the public service commission shall submit a report to the legislature and the governor, reviewing trends in load requirements and other implications from retail electricity consumers that are large energy use facilities, as defined in section 66-x of the public service law, and other retail electricity consumers that use large amounts of electricity. In providing the report, the commission must protect proprietary information as provided for under rules or orders of the commission. Such report shall include recommendations for legislation, as deemed necessary by the public service commission. In providing the report, the public service commission must protect proprietary information as provided for under rules or orders of the commission.

§ 3. This act shall take effect one year after it shall have become a law; provided that section two of this act shall expire and be deemed repealed January 1, 2035. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.