

# STATE OF NEW YORK

9039--A

2025-2026 Regular Sessions

## IN ASSEMBLY

September 5, 2025

Introduced by M. of A. BARRETT, CLARK, BURDICK, CONRAD, KELLES -- read once and referred to the Committee on Energy -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public service law, in relation to enacting the "accountability of costs for data centers act"

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

1 Section 1. This act shall be known and may be cited as the "account-  
2 ability of costs for data centers act" or the "AC/DC act".

3 § 2. Subdivision 5 of section 65 of the public service law, as amended  
4 by chapter 134 of the laws of 1921, is amended to read as follows:

5 5. (a) Nothing in this chapter shall be taken to prohibit a gas corpo-  
6 ration or [~~electrical~~] electric corporation from establishing classi-  
7 fications of service based upon the quantity used, the time when used,  
8 the purpose for which used, the duration of use or upon any other  
9 reasonable consideration, and providing schedules of just and reasonable  
10 graduated rates applicable thereto. No such classification, schedule,  
11 rate or charge shall be lawful unless it shall be filed with and  
12 approved by the commission, and every such classification, rate or  
13 charge shall be subject to change, alteration and modification by the  
14 commission.

15 (b) (i) The commission shall require each electric corporation, gas  
16 corporation, and municipality to establish, and file with the commission  
17 for approval or modification, an independent classification of service  
18 for large energy use facilities that is separate and distinct from other  
19 classifications of service. The commission shall also require each elec-  
20 tric corporation, gas corporation, and municipality to file updates, if  
21 applicable, to existing classifications of service to exclude large  
22 energy use facilities and to update any other filings, documents, or  
23 components thereof necessary to effectuate the reclassification of large

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

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1 energy use facilities. Each such service classification for large energy  
2 use facilities shall at a minimum, in a manner that is just and reason-  
3 able, establish a rate, charge, or schedule of rates, and additional  
4 terms of service, to:

5 (A) assign the costs incurred by the electric corporation, gas corpo-  
6 ration, or municipality to serve large energy use facilities, including,  
7 but not limited to, the costs of any infrastructure upgrades, improve-  
8 ments, or additions and operational costs, necessary to facilitate and  
9 maintain service to such facilities, entirely among such classification;

10 (B) assign all costs related to the recovery of any rate of return  
11 attributable to large energy use facilities entirely among such classi-  
12 fication; and

13 (C) mitigate risks and impacts to other service classifications from  
14 large energy use facilities, including increases to surcharges, basic  
15 service or other fixed charges not directly related to actual energy  
16 usage.

17 (ii) The commission, in coordination with the federally designated  
18 bulk system operator, shall establish, implement, and annually update an  
19 adjustment mechanism to ensure that all costs from any increases in  
20 commodity prices after the effective date of the chapter of the laws of  
21 two thousand twenty-five that amended this subdivision, including, but  
22 not limited to, transmission service fees, attributable to large energy  
23 use facilities are borne by such facilities.

24 (iii) The department may promulgate regulations regarding financial  
25 surety requirements, between an electric corporation, gas corporation,  
26 or municipality and a large energy use facility, for the provision of  
27 service to large energy use facilities which may include one, or any  
28 combination, of the following: insurance, guarantee, surety bond, letter  
29 of credit, or qualification as a self-insurer. In promulgating require-  
30 ments under this section, the commission shall be authorized to specify  
31 policy or other contractual terms, conditions, or defenses which are  
32 necessary or are unacceptable in establishing such evidence of financial  
33 surety.

34 (iv) For the purposes of this paragraph, the term "large energy use  
35 facilities" shall mean all facilities, or combination of facilities  
36 under common ownership at the same site, that:

37 (A) receive service from an electric corporation, gas corporation, or  
38 municipality, have applied or requested to receive such service, or have  
39 otherwise caused an electric corporation, gas corporation, or munici-  
40 pality to incur an expense in relation to the provision of service; and

41 (B) have a peak demand of twenty megawatts or more that is used for:

42 (I) computing infrastructure, not including manufacturing;

43 (II) data processing services;

44 (III) web hosting services, not including software publishing;

45 (IV) streaming support services, not including streaming distribution;

46 and

47 (V) other related services and functions as defined by the commission.

48 § 3. The public service commission shall:

49 1. not approve any change of rates or related updates to a tariff  
50 requested by an electric corporation, gas corporation, or municipality  
51 after the effective date of this act unless such proposal includes a  
52 service classification for large energy use facilities and an adjustment  
53 mechanism in compliance with this act; and

54 2. ensure that all new or modified service classifications and adjust-  
55 ment mechanisms required by this act are fully implemented by electric

1 corporations, gas corporations, and municipalities no later than June 1,  
2 2030.  
3 § 4. This act shall take effect immediately; provided, however, that  
4 any new or revised service classification or adjustment mechanism  
5 authorized by this act shall not go into effect on or before June 1,  
6 2027.