STATE OF NEW YORK

9297

2025-2026 Regular Sessions

IN ASSEMBLY

December 10, 2025

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

AN ACT to amend the public service law, the public authorities law and the state finance law, in relation to enacting the "homegrown energy act"

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

Section 1. Short title. This act shall be known and may be cited as the "homegrown energy act".

§ 2. Legislative findings and intent. The legislature finds that hyperscale data centers--while economically beneficial--contribute significantly to increased electricity demand, which strains grid reliability and raises utility costs for residential customers. As New York state pursues its climate goals under the climate leadership and community protection act (CLCPA), it is essential to ensure that energy-intensive developments contribute equitably to the state's clean energy transition.

To that end, this act ensures that new or significantly expanding hyperscale data centers offset their energy footprint by funding the installation of energy-saving heat pumps, rooftop solar, and battery storage in New York homes, particularly those with outdated or inefficient systems. These investments shall be coordinated with NYSERDA to ensure effectiveness, equity, and alignment with state climate goals.

§ 3. The public service law is amended by adding a new article 12 to read as follows:

ARTICLE 12

CLEAN HOME ENERGY OFFSET OBLIGATION

Section 250. Definitions.
251. Offset obligation; scope and administration.
252. Compliance reporting and enforcement.

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

LBD13988-01-5

§ 250. Definitions. For the purposes of this article, the following terms shall have the following meanings:

1. "Hyperscale data center" means a facility, or a set of co-located facilities, exceeding ten thousand square feet in size and drawing at least five megawatts of electrical power for data storage, processing, or transmission.

2. "Kilowatt-hour offset obligation" means the requirement imposed on hyperscale data centers to finance or arrange for installations of eligible residential technologies to offset kilowatt-hour usage.

3. "Eligible residential technologies" means:

(a) cold-climate heat pumps for space heating and cooling;

(b) heat pump water heaters;

(c) rooftop solar photovoltaic systems; and/or

(d) behind-the-meter battery storage systems.

4. "Qualified residence" means a residential dwelling in New York state that:

(a) uses inefficient electric resistance or fossil fuel-based heating/cooling systems;

(b) is suitable for rooftop solar or battery storage based on NYSERDA's criteria; and

(c) meets requirements of the commission based on income, energy burden, or climate vulnerability.

5. "Offset ratio" means the ratio of new electricity demand to the quantity of kilowatt-hours to be offset annually by funded residential projects under the kilowatt-hour offset obligation, as determined by the commission pursuant to subdivision two of section two hundred fifty-one of this article.

6. "NYSERDA" means the New York state energy research and development authority.

7. "Offset compliance plan" means a hyperscale data center's plan for compliance with kilowatt-hour offset obligations required to be submitted pursuant to section two hundred fifty-two of this article.

§ 251. Offset obligation; scope and administration. 1. Each new hyperscale data center, or any existing data center undergoing a major expansion exceeding five megawatts of additional load, shall offset a portion of its new electricity consumption by funding eligible residential energy upgrades.

2. The commission, in consultation with NYSERDA, shall adopt a formula to determine the kilowatt-hour offset obligation. Such formula shall consider:

(a) the projected annual electricity usage of the hyperscale data center at peak operation;

(b) the emissions intensity of the energy used; and

(c) the energy savings and/or distributed generation potential of eligible residential technologies.

3. Kilowatt-hour offset obligations may be satisfied by:

(a) direct funding of eligible residential technology installations administered by NYSERDA or its designees;

(b) procurement of verified energy savings or generation from third-party implementers; or

(c) participation in a NYSERDA-managed offset pool.

4. NYSERDA shall:

(a) develop qualification criteria for qualified residences and eligible residential technologies;

(b) prioritize disadvantaged communities and low-to-moderate-income households; and

(c) provide periodic public reporting on project installations, locations, and performance.

5. Payments made by hyperscale data centers pursuant to this section shall be paid into the clean home energy offset fund established pursuant to section ninety-nine-tt of the state finance law.

§ 252. Compliance reporting and enforcement. 1. Hyperscale data center operators shall file an offset compliance plan with the commission and NYSERDA prior to commencing construction or load expansion.

2. Operators shall submit annual progress reports on their offset compliance plan, including:

(a) certified kilowatt-hour savings or generation;

(b) the number and location of residential units served; and

(c) total expenditures on kilowatt-hour offset obligation projects.

3. Failure to comply with the provisions of this section shall result in:

(a) civil penalties up to fifty thousand dollars per month of noncompliance; and

(b) an order to remedy by funding additional kilowatt-hour offset measures.

4. Monies from civil penalties assessed pursuant to this section shall be paid into the clean home energy offset fund established pursuant to section ninety-nine-tt of the state finance law.

§ 4. The public authorities law is amended by adding a new section 1854-e to read as follows:

§ 1854-e. Clean energy retrofit coordination. The authority shall coordinate implementation of offset-funded projects pursuant to article twelve of the public service law to ensure that:

1. technical quality and performance standards are met;

2. participating households receive cost-free installation;

3. projects contribute toward climate leadership and community protection act emissions reduction goals; and

4. community engagement and equity goals are met.

§ 5. The state finance law is amended by adding a new section 99-tt to read as follows:

§ 99-tt. Clean home energy offset fund. 1. There is hereby established in the joint custody of the state comptroller and the commissioner of taxation and finance a special fund to be known as the "clean home energy offset fund".

2. The clean home energy offset fund shall consist of monies received from payments made from hyperscale data centers for kilowatt-hour offsets pursuant to article twelve of the public service law, and for penalties assessed for noncompliance with the provisions of such article, and all other monies appropriated, credited, or transferred thereto from any other fund or source pursuant to law.

3. Monies of the fund shall be made available to the New York state energy research and development authority upon request for the purpose of:

(a) purchase and installation of eligible residential technologies, as defined by section two hundred fifty of the public service law; and

(b) outreach, administration, and performance verification required under article twelve of the public service law.

4. The monies shall be paid out of the fund on the audit and warrant of the comptroller on vouchers certified or approved by the chair of the New York state energy research and development authority, or by an officer or employee of the New York state energy research and development authority by such chair.

5. Monies in such fund shall be kept separate from and shall not be commingled with any other monies in the custody of the comptroller or the commissioner of taxation and finance. Any monies of the fund not required for immediate use may, at the discretion of the comptroller, in consultation with the director of the budget, be invested by the comptroller in obligations of the United States or the state. Any income earned by the investment of such monies shall be added to and become a part of and shall be used for the purposes of such fund.

6. The director of the budget shall provide quarterly reports to the speaker of the assembly, the temporary president of the senate, the chair of the senate finance committee and the chair of the assembly ways and means committee, on the receipts and distributions of the clean home energy offset fund, including an itemization of such receipts and disbursements, the historical and projected expenditures, and the projected fund balance.

§ 6. Severability clause. If any clause, sentence, paragraph, subdivision, or section of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, or section thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

§ 7. This act shall take effect one year after it shall have become a law. 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.