

STATE OF NEW YORK

8540--A

2025-2026 Regular Sessions

IN SENATE

October 22, 2025

Introduced by Sens. GONZALEZ, BROUK, FAHY, GOUNARDES, KRUEGER, STAVISKY -- read twice and ordered printed, and when printed to be committed to the Committee on Rules -- recommitted to the Committee on Energy and Telecommunications in accordance with Senate Rule 6, sec. 8 -- 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

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

LBD13019-06-6

1 energy use facilities and to update any other filings, documents, or
2 components thereof necessary to effectuate the reclassification of large
3 energy use facilities. Each such service classification for large energy
4 use facilities shall at a minimum, in a manner that is just and reason-
5 able, establish a rate, charge, or schedule of rates, and additional
6 terms of service, to:

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

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

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

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

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

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

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

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

44 (I) computing infrastructure, not including manufacturing;

45 (II) data processing services;

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

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

48 and

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

50 § 3. The public service commission shall:

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

1 2. ensure that all new or modified service classifications and adjust-
2 ment mechanisms required by this act are fully implemented by electric
3 corporations, gas corporations, and municipalities no later than June 1,
4 2030.

5 § 4. This act shall take effect immediately; provided, however, that
6 any new or revised service classification or adjustment mechanism
7 authorized by this act shall not go into effect on or before June 1,
8 2027.