

STATE OF NEW YORK

11419

IN ASSEMBLY

May 15, 2026

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Gray) --
read once and referred to the Committee on Energy

AN ACT to amend the public service law and the environmental conserva-
tion law, in relation to establishing guidelines for the connection of
utility service for high-usage customers

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

1 Section 1. The public service law is amended by adding a new section
2 66-x to read as follows:

3 § 66-x. High-usage customers. 1. Definitions. For the purposes of this
4 section, the following terms shall have the following meanings:

5 (a) "High-usage customer" shall mean a current or potential customer
6 in the service territory of an electric utility that: (i) requests elec-
7 tric service under a large-scale service request; or (ii) enters into a
8 private generation contract with a generation provider.

9 (b) "Large-scale service request" shall mean a request submitted to an
10 electric utility for: (i) a new electric service that is expected to
11 reach a cumulative demand of one hundred megawatts or greater within
12 five years of the requested initial start date; or (ii) additional elec-
13 tric service that is expected to increase a customer's total service
14 level by one hundred megawatts or greater within five years of the
15 requested start date for the additional service.

16 (c) "Closed private generation system" shall mean electric generating
17 facilities and associated transmission infrastructure that: (i) are not
18 connected to and operate independently from the transmission system of
19 an electric utility, cooperative utility, municipal utility, or other
20 utility; (ii) serve one or more customers with a minimum cumulative
21 electrical demand of one hundred megawatts; and (iii) serve one or more
22 high-usage customers through direct connection.

23 (d) "Connected generation system" shall mean electric generating
24 facilities and associated transmission infrastructure that: (i) are
25 connected to and operate in conjunction with the transmission system of
26 an electric utility; (ii) serve one or more high-usage customers through
27 connection to the transmission system of an electric utility; and (iii)

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

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1 except as provided in a high-usage service contract, operate independent
2 of the generation resources of any electric utility, cooperative utili-
3 ty, municipal utility, or other utility.

4 (e) "High-usage service contract" shall mean a contract for the
5 provision of electric service for a high-usage service request between:
6 (i) an electric utility or a large-scale generation provider; and (ii) a
7 high-usage customer.

8 (f) "Large-scale generation provider" shall mean an entity that: (i)
9 is not an electric utility; and (ii) owns, operates, or contracts for
10 the output of one or more generation resources intended to be used to
11 supply certain retail electric services to a high-usage customer pursu-
12 ant to a high-usage contract or a private generation contract.

13 (g) "Private generation contract" shall mean a contract for the
14 provision of electric service through a closed private generation system
15 between: (i) a large-scale generation provider; and (ii) a high-usage
16 customer requesting new electric service that is expected to reach a
17 cumulative demand of one hundred megawatts or greater within five years
18 of the requested initial start date.

19 (h) "Evaluation" shall mean an assessment that: (i) evaluates the
20 impact of a large-scale service request on an electric utility's
21 systems; (ii) identifies any necessary: (A) system modifications or
22 upgrades to such electric utility's system to provide service as
23 requested in a large-scale service request; (B) generation capacity; or
24 (C) transmission service requests; (iii) provides cost estimates for any
25 required improvements; and (iv) establishes an estimated timeline for
26 implementing any necessary system changes.

27 2. Application. Except for high-usage customers seeking service under
28 a private generation contract, a high-usage customer seeking service
29 under this section shall submit a large-scale service request to the
30 electric utility serving the proposed location.

31 3. Large-scale service request requirements. (a) A large-scale service
32 request shall include: (i) the customer's identifying information; (ii)
33 the proposed location for electric service; (iii) the requested amount
34 of electric demand in megawatts; (iv) a proposed service commencement
35 date; (v) load profile information, including: (A) anticipated annual
36 energy usage; (B) expected hours of operation; (C) seasonal variations;
37 (D) peak demand requirements; and (E) any special service requirements;
38 (vi) information sufficient to demonstrate the financial capability to
39 complete the high-usage customer's project that is the subject of the
40 large-scale service request; and (vii) confirmation that the customer
41 will not use the electric service for resale.

42 (b) After submitting a large-scale service request and before entering
43 into a high-usage contract, a customer shall: (i) ensure that all infor-
44 mation submitted under this section remains current; and (ii) promptly
45 notify the electric utility of any material changes to information
46 submitted under this section.

47 4. Service request procedures; notice. (a) An electric utility that
48 receives a large-scale service request shall: (i) acknowledge receipt of
49 such request; (ii) notify the customer of any missing information within
50 fifteen business days after beginning to process such request; and (iii)
51 complete an evaluation of such request as soon as reasonably practicable
52 after beginning the study, but no more than six months after beginning
53 the evaluation.

54 (b) During the evaluation process, the electric utility shall: (i)
55 provide the customer with regular updates; and (ii) notify the customer
56 when the evaluation is completed.

1 (c) Within fifteen business days after completing an evaluation, the
2 electric utility shall provide the customer a written service proposal
3 that includes: (i) whether such electric utility can provide the
4 requested service within the time frame required by such customer; (ii)
5 the estimated high-usage incremental costs that will be allocated to
6 such customer, based on the information provided by such customer; (iii)
7 any required: (A) system upgrades; (B) improvements; or (C) transmission
8 service requests; (iv) the estimated timeline for commencing the
9 requested electric service; and (v) the proposed terms and conditions of
10 service, including provisions for addressing long-term operation and
11 maintenance costs for high-usage facilities.

12 (d) An electric utility (i) may charge reasonable fees for costs
13 incurred in (A) evaluating a large-scale service request; and (B) neces-
14 sary subsequent or related assessments; and (ii) is not required to
15 begin work on an evaluation until the customer (A) pays applicable fees;
16 and (B) provides the information required to the electric utility to
17 conduct an evaluation.

18 5. High-usage contract requirements. (a) Electric service for a large-
19 scale service request shall be provided only under one or more high-us-
20 age contracts with (i) an electric utility; (ii) a large-scale gener-
21 ation provider; or (iii) any combination of subparagraphs (i) and (ii)
22 of this paragraph.

23 (b) A high-usage customer shall: (i) contract for all of such custom-
24 er's projected electrical requirements under the large-scale service
25 request; and (ii) maintain contracts with resources or load shedding
26 capabilities sufficient to meet such customer's actual electrical
27 requirements at all times.

28 (c) A high-usage contract with an electric utility shall: (i) ensure
29 that all high-usage incremental costs are allocated to and paid by the
30 high-usage customer; (ii) comply with all system requirements; (iii)
31 require the high-usage customer to maintain financial security suffi-
32 cient to cover such high-usage customer's obligations; (iv) specify: (A)
33 points of interconnection; (B) power delivery points; (C) the amount of
34 electrical capacity contracted for; (D) the term of service; and (E) any
35 arrangements for backup power supply; (v) provide curtailment provisions
36 if the high-usage customer's demand exceeds the amount of contractually
37 supported demand; (vi) identify the incremental generation resources
38 that the electric utility will use to serve the high-usage customer; and
39 (vii) include provisions addressing the allocation and payment of long-
40 term operation and maintenance costs for high-usage facilities.

41 (d) A high-usage contract with a large-scale generation provider that
42 provides service through a connected electrical system shall: (i) ensure
43 that all high-usage incremental costs are allocated to and paid by the
44 high-usage customer; (ii) comply with all system requirements; (iii)
45 specify: (A) points of interconnection; (B) power delivery points; (C)
46 the amount of electrical capacity contracted for; (D) the term of
47 service; and (E) any arrangements for backup power supply; and (iv)
48 provide curtailment provisions if the high-usage customer's demand
49 exceeds the real-time dispatch of the large-scale generation provider's
50 resources under the high-usage contract, net of transmission losses.

51 (e) An electric utility (i) has no duty to serve a high-usage customer
52 except as explicitly provided in a high-usage contract; and (ii) is not
53 required to provide backup power to a high-usage customer except as
54 explicitly provided in a high-usage contract.

1 (f) An electric utility may not be required to commence design and
2 construction of high-usage facilities until after (i) executing a high-
3 usage construction contract; and (ii) obtaining commission approval.

4 (g) An electric utility or large-scale generation provider shall (i)
5 obtain commission approval before providing electric service under a
6 high-usage contract; and (ii) negotiate the terms of a high-usage
7 contract with a high-usage customer on a case-by-case basis.

8 (h) Within fifteen business days after executing a high-usage
9 contract, a person executing such contract shall submit an application
10 for approval to the commission for review.

11 6. Private generation contracts. A customer seeking to receive elec-
12 tric service through a closed private generation system (a) may negoti-
13 ate directly with a large-scale generation provider; and (b) is not
14 required to submit a large-scale service request to an electric utility.

15 7. Commission review; approval of contracts. (a) An electric utility
16 or a large-scale generation provider shall file an application with the
17 commission for approval of a high-usage contract that includes (i) a
18 copy of the high-usage contract for which the applicant seeks review and
19 approval; and (ii) evidence sufficient to demonstrate compliance with
20 subparagraph (ii) of paragraph (b) of this subdivision.

21 (b) The commission shall approve a high-usage contract submitted under
22 paragraph (a) of this subdivision if the commission finds by a prepon-
23 derance of the evidence that (i) the contract complies with the require-
24 ments of this section; (ii) the high-usage customer bears all just and
25 reasonable incremental costs attributable to receiving the requested
26 electric service; and (iii) existing ratepayers do not bear costs justly
27 and reasonably attributable to providing electric service for the high-
28 usage customer.

29 (c) Commission review of a high-usage contract (i) is limited to the
30 requirements described in paragraph (b) of this subdivision; and (ii)
31 does not include review of other contract terms.

32 (d) The commission shall make a determination on the submitted appli-
33 cation within sixty days from when such application was filed.

34 (e) The commission may establish rules and regulations to expedite the
35 review of applications for approval of a high-usage contract under this
36 section.

37 8. Service provider obligations. (a) Subject to paragraph (b) of this
38 subdivision, an electric utility has the sole right to provide electric
39 service to a high-usage customer in such electric utility's service
40 territory.

41 (b) (i) An electric utility is not required to provide electric
42 service:

43 (A) in response to a large-scale service request if (1) the high-usage
44 customer has not complied with the requirements of this section; (2) the
45 electric utility cannot provide the requested service within the time-
46 frame required by the large-scale service request; (3) the high-usage
47 customer and the electric utility cannot agree upon terms for a high-us-
48 age contract; or (4) the high-usage customer fails or refuses to comply
49 with the requirements of a high-usage contract; or

50 (B) to a high-usage customer that receives service pursuant to a
51 private generation contract.

52 (ii) An electric utility that does not agree to terms with a high-us-
53 age customer for a high-usage contract:

54 (A) has no right or duty to serve the high-usage customer;

55 (B) is not required to provide ancillary or backup services to the
56 high-usage customer; and

1 (C) is not required to provide any services to a large-scale gener-
2 ation provider.

3 9. Transmission requirements. (a) If the provision of service to a
4 high-usage customer requires transmission service (i) the electric utili-
5 ty or the large-scale generation provider shall submit a transmission
6 service request to the transmission provider; (ii) to the fullest extent
7 allowable under applicable federal law and regulations, the large-scale
8 generation provider or high-usage customer shall: (A) pay for (1) any
9 interconnection or transmission-related studies; (2) any identified
10 interconnection upgrades, transmission upgrades, network upgrades,
11 distribution system upgrades, or system upgrades; and (3) the trans-
12 mission service rates in the transmission provider's open access trans-
13 mission tariff; and (B) pay and provide for (1) ancillary services; (2)
14 balancing services; and (3) backup services.

15 (b) Nothing in this subdivision shall be construed to (i) conflict
16 with or supersede any applicable federal law, regulation or order
17 regarding transmission cost allocation; or (ii) require cost allocation
18 methods inconsistent with federal energy regulatory commission require-
19 ments or orders.

20 (c) The commission shall review transmission cost allocation consist-
21 ent with federal requirements and may establish rules for implementation
22 of this subdivision.

23 10. Closed private generation systems. (a) A high-usage customer may
24 enter into a private generation contract for all needed electric
25 services from a large-scale generation provider through a closed private
26 generation system under terms and conditions acceptable to such high-us-
27 age customer and such large-scale generation provider.

28 (b) A closed private generation system and a large-scale generation
29 provider that provides service on or through a closed private generation
30 system in accordance with this section (i) are exempt from commission
31 oversight or regulation as a public utility under this chapter; (ii)
32 shall ensure all generation, transmission, and related facilities remain
33 wholly separate from facilities owned or operated by any electric utili-
34 ty, cooperative utility, municipal utility, or other utility except to
35 the extent authorized by this section; and (iii) may connect to or
36 receive services from an electric utility only pursuant to a contract
37 approved by the commission and consistent with subdivision eleven of
38 this section.

39 (c) The commission may establish rules requiring appropriate notices
40 and warnings regarding separation from the utility system.

41 11. Connected generation systems. (a) A high-usage customer may obtain
42 all needed electric services from a large-scale generation provider
43 through a connected generation system consistent with this section.

44 (b) A large-scale generation provider may provide service on or
45 through a connected generation system if such provider (i) maintains
46 sufficient generation capacity to serve all contracted load; (ii)
47 provides the commission with (A) system design and operational informa-
48 tion; (B) emergency response procedures; and (C) notification of any
49 changes in system configuration or operation; and (iii) maintains
50 commercial liability insurance.

51 (c) A large-scale generation provider that provides service on or
52 through a connected generation system consistent with the requirements
53 of this section is exempt from commission regulation as a public utility
54 under this chapter.

55 (d) A closed private generation system or a large-scale generation
56 provider that provides service through a closed private generation

1 system may connect to the interstate transmission system of a trans-
2 mission provider only if (i) the closed private generation system is
3 interconnected to the interstate transmission system pursuant to the
4 transmission provider's federal energy regulatory commission approved
5 open access transmission tariff; and (ii) the commission determines that
6 the closed private generation system or large-scale generation provider
7 has satisfied the requirements of this section for the provision of
8 service on or through a connected generation system.

9 (e) A closed private generation system or a large-scale generation
10 provider that provides service through a closed private generation
11 system may receive services from an electric utility only if (i) the
12 requirements of this section are met; and (ii) the system or provider
13 has an agreement with the electric utility as approved by the commis-
14 sion.

15 (f) In the event that a large-scale generation provider that provides
16 service through a connected generation system produces more power than
17 is needed by the high-usage customer, such high-usage customer may sell
18 such power, at fair market value, to the competitive market provided
19 that:

20 (i) the amount of power needed for the operational capacity of the
21 high-usage customer and the amount of power the large-scale generation
22 provider shall produce each day is clearly stated in a high-usage
23 contract; and

24 (ii) the megawatts of power is not explicitly needed for the opera-
25 tional capacity of the high-usage customer, as provided in the high-us-
26 age contract.

27 (g) An electric utility (i) is not required to purchase or accept any
28 power from a connected generation system; and (ii) shall accept power
29 from a connected generation system only as explicitly provided in an
30 agreement that has been approved by the commission.

31 12. Customer requirements. (a) A high-usage customer shall pay all
32 just and reasonable high-usage incremental costs necessary to receive
33 electric service, including the costs of (i) generation resources; (ii)
34 distribution system upgrades; (iii) to the extent permitted by federal
35 law, and, as applicable, approved by the federal energy regulatory
36 commission (A) transmission system improvements, including network
37 upgrades; and (B) interconnection facilities; (iv) transmission service;
38 and (v) other necessary infrastructure.

39 (b) An electric utility shall (i) maintain separate accounting records
40 for all investments, revenues, and expenses associated with large-scale
41 service requests using generally accepted accounting principles; and
42 (ii) take reasonable measures to ensure costs are properly allocated
43 between high-usage service and other operations.

44 13. Rate cases. (a) All revenues and high-usage incremental costs
45 associated with a large-scale service request shall be excluded from any
46 rate determinations by the commission.

47 (b) In connection with any rate case or other appropriate proceeding
48 before the commission, an electric utility shall provide (i) operational
49 data identifying when and to what extent the incremental generation
50 resources identified in a high-usage contract pursuant to subparagraph
51 (vi) of paragraph (c) of subdivision five of this section were
52 dispatched to serve high-usage customers; (ii) an identification of the
53 timing, magnitude, and duration of (A) the electric utility's dispatch
54 of the resources described in this section; (B) any periods in which
55 high-usage customers' loads exceeded the dispatch of resources described
56 in this section; and (C) any periods in which the dispatch of resources

1 described in this section exceeded the high-usage customers' loads;
2 (iii) the method by which costs for the provision of electric service
3 from an electric utility to a high-usage customer will be excluded from
4 rates paid by retail customers; and (iv) any other information the
5 commission requires to ensure that the costs associated with service to
6 a high-usage customer are excluded from the rates paid for by retail
7 customers.

8 (c) An electric utility may not be required to publicly disclose
9 specific revenue information from individual high-usage customers in any
10 proceeding described in this section.

11 14. Zoning regulations for the construction of large-scale generation
12 providers and high-usage customers. For the purposes of siting and
13 constructing high-usage customer facilities and large-scale generation
14 provider facilities, a high-usage customer may not site nor build on
15 land that falls within a one mile radius of a residential property.

16 § 2. Subdivision 5 of section 8-0105 of the environmental conservation
17 law is amended by adding a new paragraph (iv) to read as follows:

18 (iv) the submission, review, and approval of a service request by a
19 high-usage customer, as defined in section sixty-six-x of the public
20 service law, or the construction and operation of a large-scale gener-
21 ation facility constructed pursuant to a negotiated contract between a
22 high-usage customer and a large-scale generation provider, as such terms
23 are defined in section sixty-six-x of the public service law, where such
24 facility is dedicated primarily to serving such high-usage customer's
25 load requirements. All construction permits for such facility shall be
26 issued solely by the governing body of the municipality in which such
27 facility is located, in accordance with applicable local zoning and
28 building codes. No state or local agency shall require compliance with
29 this article as a condition of approving a high-usage customer service
30 request or issuing construction permits for a large-scale generation
31 facility as described in this paragraph. The governing body of the muni-
32 cipality may, at its discretion, retain independent consultants to
33 assist in reviewing any proposed facility for environmental impact and
34 feasibility, the reasonable costs of which may be charged to the high-
35 usage customer or large-scale generation provider submitting such
36 proposal. The governing municipality shall approve or deny an applica-
37 tion submitted pursuant to this paragraph within ninety days of receipt
38 of a completed application. Failure to act within such period shall be
39 deemed an approval. The municipality may request from the high-usage
40 customer one extension of no more than thirty days upon written notice,
41 provided such notice is given before the expiration of the initial nine-
42 ty-day period.

43 § 3. Section 15-1501 of the environmental conservation law is amended
44 by adding a new subdivision 10 to read as follows:

45 10. For any high-usage customer that enters into a high-usage contract
46 pursuant to section sixty-six-x of the public service law that has a
47 water use in excess of one million gallons of water per week, or a util-
48 ity customer that has a usage of power in excess of five megawatts of
49 power per year and a water use in excess of one million gallons of water
50 per week, such customer shall:

51 (a) establish a plan that either utilizes (1) liquid-based cooling
52 technology, including but not limited to direct-to-chip cooling, immer-
53 sion cooling and closed-loop cooling; or (2) recycled water sources.
54 Such plan shall ensure that when any water is used from a fresh water
55 source, that such water is recycled to such source. Such plan shall
56 subsequently be submitted to the department, which shall then have nine-

1 ty days to make a determination to approve or disprove such plan. If the
2 department fails to make a determination within ninety days, such plan
3 will be deemed approved; and

4 (b) when applicable, where wastewater is generated by such cooling
5 systems, design and operate wastewater treatment systems. The proposal
6 for such system shall be included in the high-usage contract pursuant to
7 section sixty-six-x of the public service law.

8 § 4. This act shall take effect on the ninetieth day after it shall
9 have become a law.