

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:

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

3 § 66-x. Data center cost of service. 1. Definitions. For the purposes
4 of this section:

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

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

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

19 2. The commission shall provide for a classification of service for
20 retail electricity consumers that are large energy use facilities. The
21 classification of service must be separate and distinct from classifica-
22 tions 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.

LBD13803-01-5

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

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

6 (ii) directly assign the costs of serving a retail electricity consum-
7 er that is a large energy use facility to the retail electricity consum-
8 er;

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

11 (c) Mitigate the risk of:

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

14 (ii) shifting the costs, in an unwarranted manner, of serving a retail
15 electricity consumer that is a large energy use facility to other class-
16 es of retail electricity consumers, including costs of an electric
17 company to meet load requirements resulting from the provision of elec-
18 tricity service to a retail electricity consumer that is a large energy
19 use facility.

20 3. In deciding whether to approve a proposed tariff schedule of an
21 electric company for a classification of service described under subdivi-
22 sion two of this section, the commission shall consider whether the
23 rates:

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

26 (b) Provide for equitable contributions to grid efficiency, reliabil-
27 ity and resiliency benefits;

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

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

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

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

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

46 (i) must:

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

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

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

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

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

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

5 (ii) may include a charge for excess demand for the electricity
6 services the electric company is contracted to provide that is in addi-
7 tion to the tariff schedule.

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

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

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

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

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

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

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

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