

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:

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

3 § 2. Legislative findings and intent. The legislature finds that
4 hyperscale data centers--while economically beneficial--contribute
5 significantly to increased electricity demand, which strains grid reli-
6 ability and raises utility costs for residential customers. As New York
7 state pursues its climate goals under the climate leadership and commu-
8 nity protection act (CLCPA), it is essential to ensure that energy-in-
9 tensive developments contribute equitably to the state's clean energy
10 transition.

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14 storage in New York homes, particularly those with outdated or ineffi-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

17 § 3. The public service law is amended by adding a new article 12 to
18 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.

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

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

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

10 3. "Eligible residential technologies" means:

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

12 (b) heat pump water heaters;

13 (c) rooftop solar photovoltaic systems; and/or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

52 4. NYSERDA shall:

53 (a) develop qualification criteria for qualified residences and eligi-
54 ble residential technologies;

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

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

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

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

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

11 (a) certified kilowatt-hour savings or generation;

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

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

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

16 (a) civil penalties up to fifty thousand dollars per month of noncom-
17 pliance; and

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

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

23 § 4. The public authorities law is amended by adding a new section
24 1854-e to read as follows:

25 § 1854-e. Clean energy retrofit coordination. The authority shall
26 coordinate implementation of offset-funded projects pursuant to article
27 twelve of the public service law to ensure that:

28 1. technical quality and performance standards are met;

29 2. participating households receive cost-free installation;

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

32 4. community engagement and equity goals are met.

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

35 § 99-~~tt~~. Clean home energy offset fund. 1. There is hereby established
36 in the joint custody of the state comptroller and the commissioner of
37 taxation and finance a special fund to be known as the "clean home ener-
38 gy offset fund".

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

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

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

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

52 4. The monies shall be paid out of the fund on the audit and warrant
53 of the comptroller on vouchers certified or approved by the chair of the
54 New York state energy research and development authority, or by an offi-
55 cer or employee of the New York state energy research and development
56 authority by such chair.

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

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

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

25 § 7. This act shall take effect one year after it shall have become a
26 law. Effective immediately, the addition, amendment and/or repeal of any
27 rule or regulation necessary for the implementation of this act on its
28 effective date are authorized to be made and completed on or before such
29 effective date.