

STATE OF NEW YORK

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2025-2026 Regular Sessions

IN SENATE

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Introduced by Sen. GONZALEZ -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

AN ACT to amend the public service law, the public authorities law and the energy law, in relation to regulation of energy consumption by data centers

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 "New York state sustainable data centers act".

3 § 2. Legislative intent and findings. The legislature finds that data
4 centers are significant energy and water consumers and contribute to air
5 and water pollution. The expansion and operation of data centers across
6 the state impairs New York state's ability to achieve the benchmarks set
7 out in the state's climate goals due to their significant use of energy
8 and water and significant emissions of greenhouse gases generated
9 through the power needs of their operation. Given the growing demand for
10 the construction of data centers, there is a critical need to improve
11 the energy efficiency of data centers and reduce their energy consump-
12 tion, water consumption, and reliance on fossil fuels. Additionally,
13 where renewable energy is used to power data centers, this act will
14 ensure that such energy is being used responsibly, with the interests
15 and health of the public in mind, especially concerning power purchase
16 agreements between utility companies and data center operators as they
17 may not directly reduce emissions tied to the data center.

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

ARTICLE 12

REGULATION OF DATA CENTER ENERGY CONSUMPTION

Section 240. Definitions.

241. Data center disclosure reports.

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

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1 242. Public engagement.

2 243. Annual data center disclosure report updates.

3 § 240. Definitions. For the purposes of this article:

4 1. "Customer" shall mean a homeowner or tenant receiving electricity
5 or natural gas as a retail customer.

6 2. "Data center" shall mean: (a) a structure, group of structures, or
7 infrastructure within an existing structure for the central housing,
8 interconnection and operation of information technology and network
9 telecommunications equipment for the provision of data storage, data
10 processing, or data transport services; and (b) all related facilities
11 and infrastructure for power distribution, environmental control, cool-
12 ing and security required to deliver the desired service with respect to
13 the specific data center.

14 3. "Data center operator" shall mean whoever is either the owner of
15 the data center or has comparable rights of use over a data center,
16 including any person or entity responsible for allocating space for
17 external use of information technology and network telecommunications
18 equipment within a data center.

19 4. "Data center disclosure report" shall mean that report which data
20 center operators must submit to the commission prior to construction of
21 a data center, as required by section two hundred forty-one of this
22 article.

23 5. "Disadvantaged communities" shall mean: (a) areas burdened by cumu-
24 lative environmental pollution and other hazards that can lead to nega-
25 tive public health effects; (b) areas with concentrations of people that
26 are of low income, high unemployment, high rent burden, low levels of
27 home ownership, low levels of educational attainment, or members of
28 groups that have historically experienced discrimination on the basis of
29 race or ethnicity; and (c) areas vulnerable to the impacts of climate
30 change such as flooding, storm surges, and urban heat island effects.

31 6. "Employee" shall mean an individual who performs services for and
32 under the control and direction of an employer for wages or other remun-
33 eration, or natural persons employed as independent contractors to carry
34 out work in furtherance of an employer's business enterprise who are not
35 themselves employers.

36 7. "Greenhouse gas" shall mean carbon dioxide, carbon monoxide, meth-
37 ane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexaf-
38 luoride, and any other substance emitted into the air that may be
39 reasonably anticipated to cause or contribute to anthropogenic climate
40 change.

41 8. "Host community" shall mean any municipality within which a data
42 center, or any portion thereof, has been developed or proposed for
43 development.

44 9. "Negative impact" shall mean any increase in greenhouse gas emis-
45 sions, noise pollution, concentration of particulates being introduced
46 into air, natural and drinking water, or any other form of pollution
47 that would decrease the quality of life in a host community.

48 10. "Power purchase agreement" shall mean the agreements between data
49 center operators and a utility provider where data center operators buy
50 an amount of either renewable or non-renewable energy output from that
51 power plant.

52 11. "Renewable energy" shall have the same meaning as "renewable ener-
53 gy systems" as defined in section sixty-six-p of this chapter.

54 12. "Utility provider" shall have the same meaning as "utility compa-
55 ny" as defined in section two of this chapter.

13. "Bill credit" means a monthly monetary credit which is funded by a data center operator as further determined by the commission and appears on the utility bill of a low income or moderate income customer located in this state.

§ 241. Data center disclosure reports. Where a planned data center is projected to have the capacity to consume five or more megawatts at any given moment, a data center operator shall submit a data center disclosure report to the commission prior to commencing any construction activities related to a data center. The report shall be made publicly available via the commission's website and contain data including:

1. Basic information

(a) The host community or communities in which the data center shall be located; and

(b) The organization of the planned data center as a single operator enterprise or managed data center, colocation facility, hyperscale data center, micro data center, or a container or modular data center.

2. Labor

The number of full-time and part-time employees the data center operator intends to employ at the planned data center and relevant demographic information including but not limited to:

(a) The education levels of the employees intended to be employed at the planned data center, with percentages included for highest education achieved including high school diploma, associate's degree, bachelor's degree, and higher level of education; and

(b) The projected percentage of employees residing in the host community or communities.

3. Projected energy usages

(a) The projected mean energy usage of the planned data center per day measured in kilowatt-hours and related information including but not limited to:

(i) the projected type of energy being used that is neither fossil fuel nor renewable energy, where applicable;

(ii) the forms of renewable energy expected to be utilized; and

(iii) the projected percentage of energy usage that is fossil fuel, renewable energy, and neither renewable energy nor fossil fuel where the data center is operating at peak;

(b) The projected mean amount of energy usage per hour of the planned data center during peak load measured in kilowatt-hours and anticipated frequency of peak load per week;

(c) The projected annual amount of carbon emissions equivalents produced to power the facility, including off-site emissions, measured in metric tons;

(d) The projected annual amount of waste heat produced on-site measured in British thermal units;

(e) The projected percentage of the annual amount of recovered waste heat that was transformed into energy to power the data center; and

(f) The intended use for recovered waste heat to include but not be limited to general building heating, cooling systems, coolant system specifically for the capture of waste heat from processors.

4. Projected water intake and water usage

Only where a planned data center is required to obtain and hold a water withdrawal permit, the data center operator shall report:

(a) Amount of water projected to be used annually measured in gallons and how that water shall be used in the planned data center; and

(b) Mean amount of water expected to be used daily measured in gallons.

1 5. Projected water pollution

2 Where a planned data center is required to obtain and hold a water
3 withdrawal permit, the data center operator shall report:

4 (a) Annual projected amount of water being deposited into the environ-
5 ment measured in gallons; and

6 (b) How water being reintroduced into the environment will be treated,
7 if at all, to remove pollutants and/or to what extent water temperature
8 will be adjusted, if at all, before being reintroduced into the environ-
9 ment.

10 6. Additional disclosures

11 The commission may promulgate rules requiring additional points of
12 disclosure, as appropriate.

13 § 242. Public engagement. The commission shall publicize the data
14 disclosure report on its website within ten days of receiving such
15 report. The data center operator shall hold at least two public hearings
16 within sixty days after submitting its data center disclosure report to
17 the commission. At least one of the two public hearings must be held
18 within the host community where the data center operator plans to create
19 its data center. The data center operator shall provide advance notice
20 to residents of such host community of such public hearings. Such notice
21 shall include the time, place, and location of such public hearings, a
22 summary of the proposed data center project, and the specific location
23 of the planned data center. Methods of providing notice to a host commu-
24 nity shall include, but shall not be limited to, coverage in any print
25 or digital publication produced by local, community, and ethnic media.
26 During a public hearing conducted pursuant to this section, the data
27 center operator must explicitly disclose and present its finding under
28 section two hundred forty-three of this article in clear and concise
29 language comprehensible for members of the public in general. It shall
30 also address the efforts it will make to reduce any negative impacts to
31 the host community and its environment that the planned data center may
32 cause.

33 § 243. Annual data center disclosure report updates. 1. Data center
34 operators shall submit an annual data disclosure report to the commis-
35 sion, which the commission shall post on its website. Data center opera-
36 tors shall include all changes to the disclosures required pursuant to
37 section two hundred forty-one of this article from year-to-year. Addi-
38 tionally, annual reports shall include but not be limited to information
39 regarding the data center operator's efforts toward greater energy effi-
40 ciency and overall sustainability that year. Such findings shall be
41 drafted in clear and concise language readily comprehensible for members
42 of the general public. The commission shall publicly post the report on
43 the commission's website within fifteen days of receipt.

44 2. Specifically, data center operators shall report:

45 (a) Efforts made to reduce energy consumption within the past year;

46 (b) A comparison of the year's energy consumption to the initial
47 projected amounts outlined in subdivision three of section two hundred
48 forty-one of this article, and, following the first year, a comparison
49 to the year before, expressed in British thermal units;

50 (c) A projection for energy usage for the next year, disclosing the
51 same information as required by subdivision three of section two hundred
52 forty-one of this article;

53 (d) Efforts made to reduce fossil fuel consumption and increase the
54 percentage of energy use from renewable energy within the past year,
55 with a comparison of the year's fossil fuel consumption to the projected

1 amount, and, following the first year, a comparison to the year before,
2 expressed in terawatt-hours;

3 (e) Efforts made to reduce water consumption within the past year;

4 (f) For data centers that are required to have a water withdrawal
5 permit, a comparison of the year's water usage to the projected amount,
6 and, following the first year, a comparison to the year before,
7 expressed in gallons;

8 (g) For data centers that are required to have a water withdrawal
9 permit, a projection for water usage for the next year, disclosing the
10 same information as required by subdivision four of section two hundred
11 forty-one of this article;

12 (h) Efforts made to protect the environment and public from polluted
13 water in the past year accompanied by measurements of actual water
14 pollution expressed in milligrams per liter;

15 (i) Efforts made to reduce waste heat and utilize waste heat to power
16 the data center accompanied by measurements of actual heat waste expul-
17 sion and reuse, measured in British thermal units; and

18 (j) Percentage of data center employees that live within the host
19 community.

20 3. If a data center operator is no longer in compliance with sections
21 two hundred forty-one and two hundred forty-three of this article, the
22 commission shall notify the data center operator. The data center opera-
23 tor shall have sixty days to cure such violation. If such violation has
24 not been cured after sixty days, such data center shall be subject to
25 finest of up to ten thousand dollars based on the severity and extent of
26 the violation and shall be assessed another ten thousand dollar fine for
27 every day they are late in complying with such sections. All funds
28 collected under this article shall be deposited into the environmental
29 protection fund established by section ninety-two-s of the state finance
30 law.

31 § 4. The public authorities law is amended by adding a new section
32 1854-e to read as follows:

33 § 1854-e. Energy consumption efficiency goals. 1. No later than one
34 year after the effective date of this section, the authority, in
35 conjunction with the New York system independent operator, the public
36 service commission, and the New York state climate action council shall
37 determine reasonable energy consumption efficiency goals for the design
38 and operation of data centers as defined in article twelve of the public
39 service law, including, but not limited to, recycling of waste heat
40 emitted from data centers into an energy source. Such goals shall align
41 with the benchmarks laid out in the New York state climate leadership
42 and community protection act and shall be reviewed and updated accord-
43 ingly, annually.

44 2. A data center operator that has commenced operation prior to the
45 effective date of this section shall have two years to comply with the
46 energy consumption efficiency goals developed pursuant to this section.
47 A data center operator that has commenced operation within one year of
48 the effective date of this section shall have one year to comply with
49 such energy consumption efficiency goals.

50 § 5. The energy law is amended by adding a new article 19 to read as
51 follows:

ARTICLE 19

POWER PURCHASE AGREEMENTS

54 Section 19-101. Fossil fuel power purchase agreements.

55 19-103. Community discount plan.

§ 19-101. Fossil fuel power purchase agreements. 1. Power purchase agreements for any energy generated through the consumption of fossil fuels shall not provide economic incentives or discounts to data center operators, as defined in article twelve of the public service law.

2. In furtherance of the goals set out in the New York state climate leadership and community protection act: (a) by two thousand thirty, at least one-third of all energy used by data centers must be provided through power purchase agreements exclusively for renewable energy; and (b) by two thousand thirty-five, at least two-thirds of all energy used by data centers shall be provided through power purchase agreements exclusively for renewable energy; and (c) by two thousand forty, all energy used by data centers shall be provided through power purchase agreements exclusively for renewable energy.

§ 19-103. Community discount plan. 1. The public service commission is hereby authorized and directed, to establish a program, as soon as practicable, to be known as the community discount plan, that will give low-income and moderate-income electric utility ratepayers who reside within a host community a bill credit, to protect and offset low- and moderate-income residential ratepayers from costs associated with data center construction and ongoing operation within such host community. Such bill credits shall be in addition to any other renewable energy program discounts such ratepayers are receiving.

2. (a) The public service commission is authorized and directed, as deemed feasible, to enter into a contract for the purpose of implementing the community discount plan, including but not limited to agreements with a data center operator, to provide bill credits to host community electricity ratepayers approved by the public service commission.

(b) The public service commission shall enter into an agreement with such utility operator to ensure bill credits are reflected on low-income and moderate-income ratepayers' monthly electric utility bills.

(c) The public service commission shall determine the bill credit amount given to each host community electricity ratepayer based on the commission's analysis of how much consumer rates and any other delivery charges incurred will increase as a result of a data center becoming online within the host community not to exceed twenty percent and this information shall be provided on a residential electric utility bill of an owner or tenant of a residential building for a period of five years.

(d) The community discount shall be implemented in the first billing cycle following the opening of a data center in the host community.

(e) The public service commission may request from any department, division, office, commission or other agency of the state or any state public authority, and the same are authorized to provide, such assistance, services and data as may be required by the authority in carrying out the purposes of this subdivision.

(f) Within one year of the effective date of this section, the commission shall issue a report to the governor, the speaker of the assembly, the temporary president of the senate, the minority leader of the assembly, and the minority leader of the senate that addresses the feasibility and advisability of implementing the community discount plan.

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