STATE OF NEW YORK

8540

2025-2026 Regular Sessions

IN SENATE

October 22, 2025

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

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:

Section 1. This act shall be known and may be cited as the "accountability of costs for data centers act" or the "AC/DC act".

§ 2. Subdivision 5 of section 65 of the public service law, as amended by chapter 134 of the laws of 1921, is amended to read as follows:

5. **(a)** Nothing in this chapter shall be taken to prohibit a gas corporation or [~~electrical~~] **electric** corporation from establishing classifications of service based upon the quantity used, the time when used, the purpose for which used, the duration of use or upon any other reasonable consideration, and providing schedules of just and reasonable graduated rates applicable thereto. No such classification, schedule, rate or charge shall be lawful unless it shall be filed with and approved by the commission, and every such classification, rate or charge shall be subject to change, alteration and modification by the commission.

(b) (i) The commission shall require each electric corporation, gas corporation, and municipality to establish, and file with the commission for approval or modification, an independent classification of service for large energy use facilities that is separate and distinct from other classifications of service. The commission shall also require each electric corporation, gas corporation, and municipality to file updates, if applicable, to existing classifications of service to exclude large energy use facilities and to update any other filings, documents, or components thereof necessary to effectuate the reclassification of large energy use facilities. Each such service classification for large energy use facilities shall at a minimum, in a manner that is just and reason-

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

LBD13019-04-5

able, establish a rate, charge, or schedule of rates, and additional terms of service, to:

(A) assign the costs incurred by the electric corporation, gas corporation, or municipality to serve large energy use facilities, including, but not limited to, the costs of any infrastructure upgrades, improvements, or additions and operational costs, necessary to facilitate and maintain service to such facilities, entirely among such classification;

(B) assign all costs related to the recovery of any rate of return attributable to large energy use facilities entirely among such classification; and

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

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

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

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

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

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

(I) computing infrastructure, not including manufacturing;

(II) data processing services;

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

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

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

§ 3. The public service commission shall:

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

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

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