State Legislative Proposals on Reporting on the Water Use of Data Centers

(as of March 15, 2026)

Bill	Mention of "peak" or "maximum" water use (Excerpts are highlighted in yellow in this document.)	Page
CA AB 1577	N/A	3
CA AB 2619	"SECTION 2. (b)(1) Before applying for an initial business license: The data center owner or operator must provide its water supplier, under penalty of perjury, an estimate of expected water use, the anticipated water source, and projected water use volumes for the maximum day, maximum month, and average year."	8
CO SB 26-102	"40-2.5-104. (1) No later than June 30, 2028, and each June 30 thereafter, operators must report for the previous calendar year:...(j) Total annual water consumption, including peak water demand per day, cooling technologies used, and water efficiency efforts."	13
GA HB 528	N/A	24
IL SB 2181	N/A	27
IN HB 1043	"Chapter 18. (1) Sec. 1. A person may not operate a data center in Indiana without obtaining a consumption permit from the department....(2) Sec. 2. The department may request information including: a project description, estimated water use rates and volumes (maximum day, maximum month, average year), and the anticipated water source."	30
IA HF 2447	N/A	33
MI SB 762	N/A	37
MN HF 16	"Section 3. Amends Section 103G.265 - Preapplication Evaluation of Certain Water Appropriation Projects. When contacted by such a data center, the department may request preapplication information to assess whether a water source can meet the project's needs, including:...(2) Estimated water use rates and volumes for the maximum day, maximum month, and average year".	39

NJ SB 2274	N/A	47
NY SB 6394	N/A	50
PA **AB 2777**	"Section 3. Reporting Requirements. (a) Annual Report. Each data center operating in Pennsylvania shall submit an annual report to the Department of Environmental Protection on the facility's energy consumption and water consumption for the preceding calendar year. (b) Contents. The report shall include:...(4) Total water consumption for the previous calendar year, along with the maximum day demand, specified by month, water source, and whether the consumption was for cooling or another application."	57
PA **HB 2246**	"Section 2. (b) Preapplication Notification. A person developing a covered data center project must notify the department in a form and manner it prescribes. Upon receipt, the department shall require the covered data center to report additional information to assess whether a water source can adequately meet the project's needs, including:...(2) Daily, monthly, and annual estimated maximum water use and discharge rates and volumes."	60
UT HB 76	N/A	64
VA **SB 553**	"§ 62.1-44.38. (1)(C) The Board may, by regulation, require each water user withdrawing surface or subsurface water or both during each year to register, by a date to be established by the Board, water withdrawal and use data for the previous year including the estimated average daily withdrawal, maximum daily withdrawal, sources of water withdrawn, and volume of wastewater discharge, provided that the withdrawal exceeds one million gallons in any single month for use for crop irrigation, or that the daily average during any single month exceeds 10,000 gallons per day for any other user."	69
WA HB 2515	"Section 4. Each emerging large energy use facility owner must: (2) Annually report to the Department of Ecology by March 31st each year for the prior year, covering: (a) Water consumption: Annual water consumption and water quality permit information; water use effectiveness per ISO/IEC 30134-9:2022 or equivalent international standards; daily water quantities; total and peak uses; effluents discharged outside the facility; and all water quality permits including existing permits and new applications."	72
WI AB840	N/A	80

California AB 1577

ASSEMBLY BILL No. 1577 California Legislature — 2025–2026 Regular Session

Introduced by: Assembly Member Bauer-Kahan **Date introduced:** January 12, 2026

An act to add Section 25302.10 to the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

Existing law establishes the State Energy Resources Conservation and Development Commission (Energy Commission) and requires it to biennially adopt an integrated energy policy report, accessible to state, local, and federal entities and the general public.

This bill requires the commission to establish a process for data center owners to submit specified information monthly, including power usage effectiveness, water usage effectiveness, total water consumption, and fuel consumed by onsite generators. Data center owners must submit this information in the manner and timeframe specified by the commission. As part of the 2029 integrated energy policy report, the commission must include an assessment of electrical load trends for data centers. The commission must annually publish submitted information in anonymized and aggregated format on its website.

The bill also requires data center owners or developers, when applying for a discretionary permit, entitlement, or land use authorization for construction or operation, to submit the same information to the applicable local agency. This imposes a state-mandated local program. Local agencies may use this information for land use planning, infrastructure planning, energy and water supply assessment, and environmental review, including preparation of CEQA environmental documentation.

The commission and local agencies are prohibited from disclosing submitted information in a way that would reveal personally identifiable information or energy consumption data for a specific utility customer.

Vote: majority | Appropriation: no | Fiscal Committee: yes | Local Program: yes

---

SECTION 1. Section 25302.10 is added to the Public Resources Code:

25302.10.

(a) Definitions:

1. **"Applicable local agency"** means a city, county, or city and county with discretionary land use or permitting authority over the construction or operation of a data center, or a public agency serving as lead agency under the California Environmental Quality Act (CEQA).
2. **"Data center"** means a room, or portion of a room, in a building used primarily to house information technology equipment that serves a total IT equipment load greater than 10 kilowatts and 20 watts per square foot of conditioned floor area. A facility with an installed IT equipment electrical capacity of less than 500 kilowatts is not a "data center" for purposes of this section.
3. **"Power usage effectiveness"** means the ratio of the total energy consumption of a data center to the energy specifically used by the IT equipment housed in that data center.
4. **"Water usage effectiveness"** means the ratio of the total water consumption of a data center to the water specifically used by the IT equipment housed in that data center.

(b) Monthly Reporting to the Energy Commission:

The commission shall establish a process for data center owners to submit the following information monthly:

Facility identification:

- Name of the data center
- All physical addresses associated with its operation
- Name and contact information for the owner and operator
- Year and month the data center began operating
- Total floor area, in square feet
- Floor area occupied by IT equipment, in square feet

Energy information:

- Total electrical capacity, in kilowatts
- Installed IT electrical capacity, in kilowatts
- Total energy consumption, in kilowatthours
- Power usage effectiveness
- Whether the data center provides any functions supporting the stability, reliability, and resilience of California's electrical grid

Water information:

- Total water consumption, in gallons
- Potable water consumption, in gallons
- Water usage effectiveness

Thermal and cooling information:

- Quantity of waste heat reused, in kilowatthours
- Average waste heat temperature, in degrees Celsius
- Average intake air temperature setpoint for IT equipment, in degrees Celsius
- Types of refrigerants used to cool IT equipment
- Cooling degree days, in degree-days

Generation and fuel information:

- Quantity of electricity generated onsite, separated by generation type, in kilowatthours
- Quantity of fuel consumed by onsite generators or other fuel-based energy systems, separated by fuel type
- Quantity of electricity consumed during the reporting month derived from renewable and carbon-free sources, broken down by:
    - Renewable or carbon-free energy generated onsite or procured and used to directly power the data center
    - Electricity from hydroelectric generation facilities exceeding 30 megawatts, used to directly power the data center
    - Electricity from nuclear power plants, used to directly power the data center
    - Electricity associated with renewable energy credits (by portfolio content category), not used to directly power the data center

Submission rules:

- Owners must submit information in the manner and timeframe specified by the commission
- Owners are not required to resubmit previously submitted information
- If an owner has already prepared a substantially similar report to comply with state, federal, or international law, they may satisfy this section's requirements by submitting that report, provided it meets the requirements here

---

(c) 2029 Integrated Energy Policy Report:

As part of the 2029 integrated energy policy report, the commission must include an assessment of electrical load trends for data centers, covering:

1. A projection of future load trends from data centers
2. Identification of potential net peak load demands
3. Recommendations for mitigating data center electricity consumption impacts on grid capacity, grid reliability, and greenhouse gas emissions, including recommended energy efficiency and demand response measures

---

(d) Annual Public Publication:

The commission shall annually publish all information submitted under subdivision (b) in an anonymized and aggregated format on its website.

(e) Disclosure to Local Agencies at Permit Application:

1. When applying for a discretionary permit, entitlement, or land use authorization for construction or operation of a data center, the owner or developer must submit the information described in subdivision (b) to the applicable local agency, to the extent applicable to the proposed facility.
2. Information submitted at this stage shall be based on best available estimates at the time of submission.
3. Local agencies may use the information for land use planning, infrastructure planning, energy and water supply assessment, and environmental review.
4. A lead agency may use the information in preparing CEQA environmental documentation.

(f) Confidentiality:

Neither the commission nor a local agency may disclose information submitted under subdivision (b) or (e) in a manner that would reveal personally identifiable information or energy consumption data for a specific utility customer.

SECTION 2. Legislative findings on public records limitation:

The Legislature finds that Section 1 imposes a limitation on the public's right of access to writings of public officials and agencies under Article I, Section 3 of the California Constitution. The Legislature finds this limitation necessary to protect the confidential and proprietary information of entities subject to this act.

SECTION 3. No state reimbursement to local agencies is required under this act because local agencies have the authority to levy service charges, fees, or assessments sufficient to pay for the program mandated by this act, within the meaning of Government Code Section 17556.

California AB 2619

ASSEMBLY BILL No. 2619 California Legislature — 2025–2026 Regular Session

Introduced by: Assembly Member Papan **Date introduced:** February 20, 2026

An act to add Sections 16000.4 and 16100.4 to the Business and Professions Code, and to amend Sections 10632 and 10632.1 of, and to add Section 10609.1 to, the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

(1) This bill requires a person who owns or operates a data center, prior to applying for an initial business license from a city or county, to provide its water supplier (under penalty of perjury) an estimate of expected water use, the anticipated water source, and projected water use volumes for the maximum day, maximum month, and average year. The same information must be reported on the initial license application itself. When renewing a business license, the owner or operator must report actual annual water use for the preceding calendar year — including total, direct, and indirect water use — also under penalty of perjury. By expanding the crime of perjury, the bill imposes a state-mandated local program.

(2) The bill requires the Department of Water Resources and the State Energy Resources Conservation and Development Commission to develop, by January 1, 2029, guidelines and best practices to maximize efficient natural resource use for technology needs in California, consistent with urban water use objectives. The bill also requires the department, in coordination with other relevant state agencies, to develop guidance that cities and counties may use for assessing projected water use, water efficiency measures, and cumulative water resource impacts of proposed data centers.

(3) The bill adds data center demand as a required element of urban water suppliers' annual water supply and demand assessments and water shortage contingency plans.

(4) The Legislature finds water conservation is a matter of statewide concern and not a municipal affair; therefore the business license provisions apply to all cities, including charter cities.

Vote: majority | Appropriation: no | Fiscal Committee: yes | Local Program: yes

---

SECTION 1. Legislative Findings and Intent

(a) It is the intent of the Legislature that data centers be considered commercial, industrial, and institutional users under the state's "Making Conservation a California Way of Life" regulation, consistent with urban water use objectives under Water Code Chapter 9.

(b) The Legislature finds that the growth of data center operations has created increasing demand for water resources with implications for statewide sustainability goals. California law has long required individual businesses and facilities to report water withdrawals, discharges, and related operational data to state or local water agencies where those activities may affect water supply, quality, or aquatic resources.

(c) The Legislature finds that large-scale data centers increasingly function as critical infrastructure with substantial and growing demands on water resources, and that a similar framework of periodic, standardized facility-level reporting is necessary to support statewide water conservation, infrastructure planning, and environmental protection.

SECTION 2. Adds Section 16000.4 to the Business and Professions Code — City Business License Requirements

(a) Definitions:

"Data center" — A facility that houses computing infrastructure, including graphics and central processing units, servers, storage devices, networking equipment, and associated power and cooling systems, for the primary purpose of processing, storing, or distributing electronic data. Data centers are classified into three types:

- **Type I (hyperscale):** More than 10,000 kg/m², more than 10,000 servers, and power consumption exceeding 25 megawatts.
- **Type II:** At least 2,000 and no more than 50,000 kg/m², and power consumption of at least 2 MW and no more than 25 MW.
- **Type III:** At least 500 and no more than 5,000 kg/m², and power consumption of less than 2 MW.

"Water supplier" means either a community water system (as defined in Health and Safety Code Section 116275) or an urban water supplier (as defined in Water Code Section 10617).

(b) Requirements for city business licenses:

1. **Before applying for an initial business license:** The data center owner or operator must provide its water supplier, under penalty of perjury, an estimate of expected

water use, the anticipated water source, and projected water use volumes for the maximum day, maximum month, and average year.

2. **When applying for an initial business license:** The owner or operator must report the same information on the application, under penalty of perjury.
3. **When applying to renew a business license:** The owner or operator must report, under penalty of perjury, the data center's annual water use for the preceding calendar year, including:
    - **Total water use:** The sum of direct and indirect water use
    - **Direct annual water use:** All water withdrawn, delivered, or used onsite for operations (cooling, sanitation, irrigation, and other uses), identified by source (potable, nonpotable, or recycled). The cooling system type must also be reported.
    - **Indirect water use:** The volume of water withdrawn to generate the electricity consumed by the data center

---

SECTION 3. Adds Section 16100.4 to the Business and Professions Code — County Business License Requirements

Identical provisions to Section 2, applied to county business licenses instead of city business licenses. Same definitions, same three-tier reporting structure (pre-application notice to water supplier, initial license application, and annual renewal reporting), all under penalty of perjury.

SECTION 4. Adds Section 10609.1 to the Water Code — Guidelines, Best Practices, and Local Guidance

(a) On or before January 1, 2029, the Department of Water Resources and the State Energy Resources Conservation and Development Commission shall jointly develop guidelines and best practices to maximize the use of natural resources to address the developing and emerging needs of technology in California, consistent with urban water use objectives and the EPA's Energy Star program (as of January 1, 2025), to the extent applicable to water usage.

(b) Best practices must include, but are not limited to:

1. The use of closed-loop systems
2. The use of nonpotable water
3. The installation of rainwater and stormwater capture infrastructure
4. Water-efficient practices for indoor and outdoor water use

5. Water-efficient practices that are scalable and increased for higher-demand data centers
6. Location, design, construction, and capacity of cooling water intake structures reflecting the best technology available for minimizing adverse environmental impact

(c) On or before January 1, 2029, the department, in coordination with other relevant state agencies, shall develop guidance that cities and counties may use for assessing projected water use, water efficiency measures, and cumulative water resource impacts of proposed data centers within the context of local and regional water management objectives.

(d) Definition of "data center" for purposes of this section: same three-tier typology (Type I/II/III) as defined in Sections 2 and 3 above.

SECTION 5. Amends Water Code Section 10632 — Water Shortage Contingency Plans

Amends the required elements of urban water suppliers' water shortage contingency plans to add **data center demand** as a required data input in the annual water supply and demand assessment. Specifically, data center demand is added to the list of key data inputs and assessment methodology factors that must be included alongside existing factors such as current year unconstrained demand, available supply, infrastructure capabilities, evaluation criteria, and water supply source descriptions. All other existing requirements of the water shortage contingency plan are retained unchanged.

SECTION 6. Amends Water Code Section 10632.1 — Annual Water Shortage Assessment Reports

Amends the annual water shortage assessment report that urban water suppliers must submit to the Department of Water Resources by July 1 each year to add **data center demand** as a required reporting element, alongside the existing required elements of anticipated shortage, triggered shortage response actions, compliance and enforcement actions, and communication actions.

SECTION 7. Statewide Concern Finding

The Legislature finds and declares that water conservation is a matter of statewide concern and not a municipal affair under Section 5 of Article XI of the California Constitution.

Therefore the business license provisions in Sections 2 and 3 apply to all cities, including charter cities.

SECTION 8. No Reimbursement Required

No state reimbursement to local agencies is required under this act, because local agencies have authority to levy service charges, fees, or assessments sufficient to pay for mandated programs, or because costs arise from changes to the definition of a crime, within the meaning of Government Code Section 17556.

Colorado SB26-102

Here is the plain text of Colorado Senate Bill 26-102:

SENATE BILL 26-102 Second Regular Session, Seventy-fifth General Assembly State of Colorado

Sponsors: Senate: Kipp / House: Brown

A BILL FOR AN ACT CONCERNING MEASURES TO ENSURE ACCOUNTABILITY FOR LARGE-LOAD DATA CENTERS.

BILL SUMMARY

The bill creates certain requirements for large-load data centers, defined as:

- A new data center with a peak load of more than 30 megawatts, or multiple new data centers with a collective peak load of more than 60 megawatts; or
- An existing data center that adds a peak load of more than 30 megawatts, or multiple existing data centers that add a collective peak load of more than 60 megawatts.

No later than June 30, 2030, the public utilities commission (commission) is required to make a determination on whether 100% hourly matching by large-load data centers is technically and economically feasible. If not feasible, the commission must determine the highest percentage that is feasible and update it regularly.

Beginning January 1, 2031, operators of large-load data centers must generate, purchase, or otherwise acquire enough electricity from renewable resources to meet 100% of their annual electricity consumption and must achieve the hourly matching requirement.

Operators must enter into contracts of at least 15 years with a utility to pay for certain infrastructure and resource costs, contribute to utility demand-side management programs, and comply with water management and on-site backup generation requirements.

No later than June 30, 2028, and each June 30 thereafter, operators must report to the Department of Public Health and Environment information including annual electricity and water consumption. The department must compile this information and report to the general assembly and commission, making it publicly available on its website.

A utility is prohibited from interconnecting or supplying electricity to a large-load data center unless:

- The operator has provided an up-front payment or entered into a contract of at least 15 years;
- On or after January 1, 2031, the operator is in compliance with the hourly matching requirement; and
- The addition of the data center does not negatively affect the utility's reliability, clean energy targets, or greenhouse gas emissions.

Utilities are prohibited from offering economic development rates to large-load data centers and must develop demand response programs or flexible connection tariffs for operator-customers.

On or before June 30, 2027, the Department of Local Affairs must publish model codes for large-load data center development, updated every 5 years.

Developers must submit a site assessment with their development permit application. If a large-load data center is proposed in a disproportionately impacted community, the developer or operator must:

- Undergo a cumulative impacts analysis (performed by a third-party contractor selected by the Department of Public Health and Environment, at the developer/operator's cost);
- Hold at least three public hearings or comment periods at least 60 days before submitting a permit application;
- Enter into a legally binding community benefit agreement with the community before development begins.

Operators must comply with certain labor standards including prevailing wages, apprenticeship program participation, OSHA10 training, and workplace safety compliance.

SECTION 1 — Legislative Declaration

The general assembly finds:

(a) Colorado and the United States are experiencing rapid and unprecedented growth in data centers, presenting significant challenges for electric utilities, the electric grid, regulators, and electricity consumers statewide.

(b) Absent clear statutory direction, the costs of serving new large-load data centers may be shifted to residential, commercial, and other existing ratepayers, increasing electricity bills and creating financial risk from overbuilt or stranded infrastructure.

(c) At a time when electricity demand is increasing and affordability is a growing concern for Colorado households, costs to serve large-load data centers should not shift onto other ratepayers.

(d) Unchecked growth in large-load data centers may increase reliance on fossil fuel generation, hinder electric utilities' ability to meet clean energy requirements, and adversely affect public health and disproportionately impacted communities.

(e) The general assembly has established statewide climate, clean energy, and emission reduction goals, including net-zero emissions by 2050.

(f) Maintaining affordable electricity for all Coloradans requires consumer protection guardrails to ensure large-load data centers bear the incremental costs of necessary infrastructure.

(g) Operators should help Colorado meet its clean energy and climate goals and pay their fair share of new energy infrastructure costs.

(h) Flexible load and behind-the-meter resources can reduce peak demand, defer system upgrades, and mitigate ratepayer impacts.

(i) Managing large-load data center growth should advance affordability, reliability, and electrification.

(j) Colorado rivers have experienced severe water stress. New large water users like large-load data centers may threaten the state's water supply security.

(k) Promoting efficient use of water resources by large-load data centers can increase communities' resilience to drought and climate change.

(l) Information regarding water and energy use by large-load data centers is critical to decision-making and should be made available to relevant authorities.

(m) The siting of new large-load data centers can result in habitat loss and fragmentation without appropriate measures to protect wildlife resources.

(n) The cumulative impacts of pollution are more devastating for communities of color and low-income communities who bear outsized environmental burdens.

(o) Data center development should support Colorado's workforce and communities by adhering to high labor standards.

It is in the best interests of Colorado to establish a comprehensive framework for large-load data centers that: (a) Ensures clean, affordable, and reliable electricity service; (b) Protects consumers and communities, including disproportionately impacted communities; (c) Advances the state's climate and clean energy goals; and (d) Affirms the authority of the public utilities commission and local governments to oversee new large-load data center development equitably.

Nothing in this act alters existing greenhouse gas emission reduction goals, diminishes the air quality control commission's authority, or prevents state or local authorities from enacting additional requirements.

SECTION 2 — Article 2.5 Added to Title 40

40-2.5-101. Definitions.

1. "Closed-loop cooling system" — A cooling configuration that recirculates heat-transfer mediums within sealed equipment without routine evaporative water loss.
2. "Cumulative impacts" — The incremental effects of a large-load data center on the environment (air/water quality, climate, noise, odor, wildlife, public health) when added to impacts from other development on a disproportionately impacted community.
3. "Data center" — A facility that houses IT equipment for data processing, storage, or telecommunications, with the primary function of delivering IT services including cloud computing, network connectivity, and AI/ML services.
4. "Emergency" — An unplanned interruption of utility electric service or a condition posing imminent risk to public health or safety, documented and verified by the serving electric utility.
5. "Hourly matching" — The demonstrated proportion of a large-load data center's hourly energy usage met by renewable resources, expressed as a percentage and certified by third-party accounting.
6. "Large-load data center" — A data center beginning operation on or after the effective date with a peak load of more than 30 MW (or covered by an interconnection agreement allowing more than 30 MW); multiple data centers with a collective peak load of more than 60 MW; or an existing data center that adds more than 30 MW (or multiple existing data centers adding a collective 60 MW).

7. "Large-load data center developer" or "developer" — A person responsible for the initial development of a large-load data center, including land purchase and construction.
8. "Large-load data center operator" or "operator" — An owner or operator of a large-load data center.
9. "Local government" — A statutory or home rule city, town, county, or city and county.
10. "Multiple data centers" — All data centers located on a single or contiguous site and owned or operated by the same person or affiliated persons.
11. "Office" — The Colorado Energy Office.
12. "Peak load" — The peak power consumption of a large-load data center, measured in megawatts.
13. "Power-usage effectiveness" — Total electricity consumption of a large-load data center divided by the electricity consumption of IT equipment, on an annual basis.
14. "Renewable energy storage" — As defined in Section 40-2-124(1)(a)(VII.5).
15. "Renewable resource" — As defined in Section 40-2-124(1)(a)(VII).
16. "Use by right" — A land use proceeding under objective standards in zoning laws without a discretionary approval process.
17. "Water-usage effectiveness" — Total water consumption (direct and indirect) divided by the electricity consumption of IT equipment, expressed in liters per kilowatt-hour.

40-2.5-102. Hourly Matching Requirements — Determination by Commission.

1. No later than June 30, 2030, the commission shall, in consultation with the Colorado Energy Office and the Air Pollution Control Division, determine whether 100% hourly matching by large-load data centers is technically and economically feasible, following a public process.
2. If 100% hourly matching is not feasible, the commission shall determine the highest feasible percentage.
3. After determining the highest feasible percentage, the commission shall update it no less frequently than every three years.
4. In making its determination, the commission may consider the role of flexible load, energy efficiency, distributed energy resources, and virtual power plants.

40-2.5-103. Large-Load Data Center Requirements — Renewable Resources, Utility Contributions, Backup Generation.

1. Beginning January 1, 2031, operators must: (a) Generate, purchase, or acquire enough renewable electricity to meet 100% of annual electricity consumption; (b) Achieve at

least the highest feasible percentage of hourly matching as determined by the commission; (c) Comply with the current hourly matching requirement whenever entering into, renewing, or materially amending a power purchase agreement or clean energy tariff.

2. Renewable resources must be new and incremental, deliverable to the grid serving the data center or directly to the data center. Associated renewable energy credits must be retired in the year the electricity is generated.
3. Compliance must be implemented through one or a combination of: (a) A tariff, contract, or program with the supplying utility; (b) Power purchase agreements with an independent power producer; or (c) Self-supply, including behind-the-meter renewable generation or renewable energy storage.
4. Through contracts of at least 15 years with utilities, operators must pay for: (a) All costs of utility construction or procurement of generation, transmission, and distribution infrastructure needed to supply the data center; (b) The operator's share of existing infrastructure needed to serve the data center and maintain grid reliability; and (c) All costs of renewable resource curtailments, reserve requirements, and infrastructure needed to maintain grid stability due to the data center's load.
5. Operators must contribute to utility demand-side management programs, based on total annual electricity consumption, regardless of whether electricity is supplied by a utility or another source, as long as the data center is connected to the utility's system.
6. Operators must optimize operational water management through water-efficient technology as determined by the local government with jurisdiction.
7. On-site backup generation: (a) Must maximize reliance on renewable resources and renewable energy storage to the extent technically and economically feasible. Combustion-based backup may only be used after evaluating and deploying noncombustion alternatives to the maximum extent practicable. (b) Combustion generators must be limited to emergency use and testing/maintenance (no more than 50 hours/year for testing); must not be used for routine peak shaving or nonemergency grid support; and must use nonresettable meters. (c) Fuel oil generators must meet or exceed EPA Tier 4 Final emissions standards, use ultra-low sulfur diesel, and be equipped with diesel particulate filters and selective catalytic reduction controls. (d) Gas-powered generators must meet applicable EPA emissions standards, employ best available methane leak detection, and prohibit routine venting or bypassing of emissions controls.

40-2.5-104. Reporting to the Department of Public Health and Environment.

1. No later than June 30, 2028, and each June 30 thereafter, operators must report for the previous calendar year: (a) Total annual electricity consumption; (b) Peak load; (c) Total annual electricity supply, disaggregated by: off-site renewable and nonrenewable sources; on-site renewable generation; on-site renewable energy storage discharge; and on-site nonrenewable generation including backup; (d) Hourly consumption of electricity for all 8,760 hours; (e) Hourly electricity supply from renewable resources for all 8,760 hours; (f) Total installed capacity of on-site renewables, renewable energy storage, and backup generation; (g) Total annual hours of operation for each backup generator, by fuel type and use category; (h) Total annual discharge from renewable energy storage; (i) Power-usage effectiveness; (j) Total annual water consumption, including peak water demand per day, cooling technologies used, and water efficiency efforts; (k) Total water input in cubic meters; (l) Water sources (municipal, groundwater, surface water; potable or reclaimed), with percentages for each source if multiple are used; (m) Water-usage effectiveness; and (n) Total incentives or subsidies received from local governments, economic development organizations, or other entities.
2. The Department of Public Health and Environment must compile the reported information, provide an annual report to the general assembly and the commission, and make the report publicly available on its website.

40-2.5-105. Utility Requirements.

1. "Utility" includes cooperative electric associations, municipal electric utilities, and wholesale electric cooperatives.
2. A utility may not interconnect or supply electricity to a large-load data center unless the operator has provided an up-front payment or entered into a contract of at least 15 years requiring payment for: all infrastructure construction/procurement costs; the operator's share of existing infrastructure; and all costs of renewable curtailments, reserve requirements, and grid stability investments caused by the data center. Cost allocation in electricity rates must account for cost causation across all hours of the year. A utility may require self-supply data centers to pay for backup power costs.
3. On or after January 1, 2031, a utility may not interconnect or supply electricity unless the operator is in compliance with the commission's hourly matching requirement.
4. A utility may not offer economic development rates to large-load data centers.
5. Utilities must develop and offer at least one of the following to large-load data center operator-customers: (a) One or more demand response programs (not allowing diesel generators) encouraging load reduction during peak periods through load-shifting, battery storage, uninterruptible power supply, or zero-emissions backup generation;

or (b) Flexible connection tariffs or other tariffs encouraging significant demand reduction during peak periods.
Utilities may provide expedited interconnection to operators committing to flexible interconnection or to 80% hourly matching of renewables by 2030, and may require flexible interconnection as a condition of interconnection. Interconnection agreements must include up-front payment/security requirements and significant monthly demand charges, unless the operator participates in a flexible interconnection program providing corresponding system benefits.

6. A utility may not interconnect or supply electricity to a large-load data center unless it determines and ensures that the data center's addition: (a) Does not negatively affect reliable electric service to existing customers; (b) Does not negatively affect the utility's ability to comply with clean energy targets or applicable emissions requirements; and (c) Does not increase the utility's greenhouse gas emissions for 15 years after the addition, compared to projected emissions without the data center. All costs of this determination must be borne by the data center seeking interconnection.
7. Utilities must solicit and accept voluntary financial contributions from operators to income-qualified energy efficiency, electrification, demand response, distributed energy resources, or virtual power plant programs. Such contributions must supplement (not substitute for) existing utility funding and are not subject to cost-effectiveness testing or budget caps. Utilities receiving contributions must include information about the contributions in their annual energy efficiency and electrification reports.
8. Rate-regulated utilities with large-load data center operator-customers must describe their compliance efforts in their annual report filed with the commission and provide monthly reporting on: new interconnection requests (number and capacity); requests rejected or withdrawn; total capacity in queue with signed agreements; and new interconnections completed and in operation.
9. Nothing in this section prohibits the commission from adopting a tariff with more stringent requirements for large-load data center operators.

40-2.5-106. Model Local Codes by the Department of Local Affairs — Site Assessments.

1. On or before June 30, 2027, the Department of Local Affairs must publish model codes for large-load data center development covering at minimum best practices for: (i) Updating local zoning laws; (ii) Avoiding and mitigating impacts on residents from noise, light, air, electromagnetic fields, and other pollution; (iii) Updating public engagement processes; (iv) Establishing water and land use policy mechanisms, including water-related siting, nonpotable water use, water reuse, and efficiency

tools; (v) Requiring developers to demonstrate how the project fits within local strategic planning with clear timelines and accountability; (vi) Creating and implementing community benefit agreements; and (vii) Implementing reporting requirements to local governments and communities related to on-site fossil fuel generation.

The department must conduct a robust stakeholder engagement process including state agencies, consumer protection organizations, labor associations, energy and climate organizations, agricultural interests, disproportionately impacted communities, developers, operators, tribal governments, and municipal water and electric utilities. Model codes must be evaluated and updated every 5 years.

2. Developers must submit a site assessment with their development permit application, including descriptions of: (a) Anticipated total water footprint; (b) Planned water sources; (c) Anticipated on-site air emissions including greenhouse gases; (d) Potential impacts on agricultural, historic, and cultural resources; (e) Efforts to locate backup generation and pollution sources away from residences, schools, and health clinics; and (f) Initial and ongoing public engagement opportunities.
3. Nothing in this section alters a local government's ability to regulate land use related to large-load data centers, except that local governments may not allow large-load data centers to be zoned as a use by right.

40-2.5-107. Disproportionately Impacted Communities — Cumulative Impacts Analysis — Community Engagement — Community Benefit Agreements.

1. If a large-load data center is proposed in, or an existing data center in, a disproportionately impacted community plans to expand to become a large-load data center, the developer or operator must undergo a cumulative impacts analysis before development begins. The analysis must be performed by a third-party contractor selected by the Department of Public Health and Environment, at the developer/operator's sole expense.
2. Local governments reviewing development permit applications in disproportionately impacted communities must consider the cumulative impacts analysis. If net negative impacts are identified, the local government must consider whether proposed mitigation strategies are sufficient. The local government may consult with the Department of Public Health and Environment and must include a plain language summary of its determination.
3. Before applying for a development permit in a disproportionately impacted community, the developer or operator must: (i) Host at least three public hearings or comment periods, at least 60 days before submitting the permit application, with at least one held within the impacted community; (ii) Schedule hearings at variable

times including at least one on a weekend, one after 5 p.m., and one before noon; (iii) Provide public notice at least 30 days before each hearing, including project summary, through outlets such as schools, health clinics, social media, social/activity clubs, local and tribal governments, religious/civic organizations, environmental justice organizations, and other local services; (iv) Provide outreach materials translated into the top two languages spoken in the community; and (v) Implement other best practices for outreach and engagement per Section 24-4-109(3)(b).

During hearings, the developer or operator must explicitly disclose the results of the cumulative impacts analysis and describe efforts to reduce negative impacts.

4. If a large-load data center is proposed in or expanding within a disproportionately impacted community, the developer or operator must enter into a legally binding and publicly disclosed community benefit agreement with the community before development begins.

   Negotiations must involve the local government and a coalition of at least three community-based organizations within a two-mile radius. A series of at least five stakeholder meetings must be held, with at least two offering public comment. Topics to be considered in negotiations include: (a) First-source hiring programs, revenue sharing, community program funding, and community ownership; and (b) Equity impact assessments, renter and small business protections, and public information dashboards.

   Community benefit agreements should aim to avoid and mitigate negative impacts, drive investments requested by the community, and support local workforce development. Agreements may contemplate a community benefit fund tied to project scale, environmental and public health concerns, subsidies and monitoring, and support for housing, broadband, health care, child care, and community resilience. Local governments may determine appropriate penalties for noncompliance.

40-2.5-108. Labor Standards.

Operators must: (a) Provide prevailing wages to fully employed workers; (b) Participate in an apprenticeship program registered with the U.S. Department of Labor or a recognized state apprenticeship agency; (c) Require participation in OSHA10 or a substantially similar safety class; (d) Comply with applicable OSHA workplace site safety plan requirements; and (e) Not have a documented pattern of wage theft or employee misclassification.

SECTION 3 — Applicability. This act applies to conduct occurring on or after the effective date.

SECTION 4 — Safety Clause. The general assembly finds this act necessary for the immediate preservation of the public peace, health, or safety.

Georgia HB 528

25 LC 50 1124

By: Representatives Buckner of the 137th, Hagan of the 156th, Hugley of the 141st, Stephens of the 164th, Oliver of the 84th, and others

A BILL TO BE ENTITLED AN ACT

To amend Chapter 1 of Title 48 of the Official Code of Georgia Annotated, relating to general provisions relative to revenue and taxation, so as to require certain high resource use facilities to provide disclosures regarding community impact and energy and water usage; to require such disclosures prior to entering into a contract for tax incentives or applying for a governmental permit, approval, or license to construct or operate a high resource use facility; to provide for the required contents of such disclosures; to provide for method and means of submission and publication; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Chapter 1 of Title 48 of the Official Code of Georgia Annotated, relating to general provisions relative to revenue and taxation, is amended by adding a new Code section to read as follows:

48-1-11.

(a) As used in this Code section, the term:

(1) "Disclosure report" means the report required to be submitted by an owner or operator of a high resource use facility pursuant to this Code section.

(2) "High resource use facility" means a facility that has, or in the case of a proposed or planned facility is reasonably anticipated to have, a peak energy load of 30 megawatts or greater.

(3) "Tax incentive" means any state or local tax benefit that is sponsored, offered, or otherwise provided by this state, any political subdivision of this state, or any state, regional, or local agency, authority, department, or instrumentality.

(b) The owner or operator of a high resource use facility in this state shall submit a disclosure report by December 31, 2025, and annually by December 31 thereafter.

(c) The owner or operator of a proposed or planned high resource use facility in this state shall submit a disclosure report by the earlier of the following:

(1) Thirty days prior to entering into or renewing any contract for the receipt of any tax incentive; or

(2) Thirty days prior to applying for any governmental permit, approval, or license required by law to construct or operate a high resource use facility.

(d) Each disclosure report shall contain:

(1) General information regarding the high resource use facility, including: (A) The name and address of the facility; (B) The owner or operator of the facility; (C) A description of the nature and purpose of the facility; (D) The total square footage of the facility; and (E) Any publicly announced plans for expansion of the facility;

(2) Information related to energy usage by the high resource use facility, including: (A) The mean amount of energy used per day measured in kilowatt-hours; (B) The mean amount of energy used from all sources per hour during peak load measured in kilowatt-hours and frequency of peak load per week; (C) The overall percentages of energy used, calculated prior to considering any carbon offsets, that are generated from fossil fuel, renewable energy, and other energy sources; (D) The sources and providers of each type of energy used; (E) Any service contract with an electric supplier; and (F) The annual amount of waste heat produced on-site measured in British thermal units;

(3) Information related to water usage by the high resource use facility, including: (A) The amount of water used annually measured in gallons; (B) The mean amount of water used daily measured in gallons; (C) The sources of water used in the facility, including, but not limited to, rain water, treated water, well water, on-site reservoir, and gray water; (D) The annual amount of water being discharged or emitted into the environment measured in gallons; and (E) The quantity in gallons and method of pretreatment of water being discharged to a permitted wastewater disposal system, if any, to remove pollutants or change the water temperature before being discharged or emitted into the environment; and

(4) Other information regarding community impact of the high resource use facility, including: (A) The total amount of ad valorem taxes paid in the previous five years with respect to the facility; (B) Any air quality permits required; and (C) The noise levels emitted by the facility measured in decibels for properties within 0.25 miles of the facility.

(e)(1) Each disclosure report for a high resource use facility in this state shall provide accurate information regarding each of the contents required pursuant to subsection (d) of this Code section.

(2) Each disclosure report for a proposed or planned high resource use facility in this state shall provide reasonable and detailed projections regarding each of the contents required pursuant to subsection (d) of this Code section.

(f) The state, any political subdivision of this state, and any state, regional, or local agency, authority, department, or instrumentality shall verify that a disclosure report has been submitted pursuant to this Code section for a high resource use facility prior to entering into a contract regarding a tax incentive for such high resource use facility.

(g) Each disclosure report shall be submitted to the department, in the manner prescribed by the department.

(h) Neither the disclosure report nor any of its contents shall be considered privileged or confidential information, and the department shall publish each disclosure report on its public website.

(i) No high resource use facility shall be allowed any tax incentive if the owner or operator fails to properly submit a disclosure report as provided for in this Code section.

SECTION 2.

All laws and parts of laws in conflict with this Act are repealed.

Illinois SB 2181

104TH GENERAL ASSEMBLY State of Illinois — 2025 and 2026 SB2181

Introduced 2/7/2025, by Sen. Steve Stadelman

SYNOPSIS AS INTRODUCED:

New Act. Creates the Illinois Data Center Energy and Water Reporting Act. Defines terms. Provides that, beginning January 1, 2026, all data centers operating within the State shall annually report the data center's energy and water consumption to the Illinois Power Agency for the preceding calendar year. Sets forth requirements for the content of the report. Provides that reports shall be submitted to the Agency no later than March 31 of each year. Sets forth provisions concerning data confidentiality and public access to information and the enforcement of the Act and penalties. Provides that the Agency shall conduct a comprehensive study on the impact that data centers in the State are having on rate-paying customers. Sets forth requirements for the content of the study. Provides that the Agency shall submit a report detailing the findings of the study to the General Assembly and the Governor no later than 12 months after the effective date of the Act. Sets forth rulemaking provisions for the Agency. Effective immediately.

AN ACT concerning regulation.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 1. Short title. This Act may be cited as the Illinois Data Center Energy and Water Reporting Act.

Section 5. Purpose. The purpose of this Act is to ensure transparency regarding the environmental impacts of data centers operating within the State by requiring the disclosure of energy and water usage data to the Illinois Power Agency.

Section 10. Definitions.

"Agency" means the Illinois Power Agency.

"Data center" means a facility used to house computer systems and associated components, including telecommunications and storage systems, where the primary function is the storage, management, and dissemination of data.

"Energy consumption" means the total amount of electricity or other forms of energy consumed by a data center, measured in kilowatt-hours.

"Water consumption" means the total amount of water consumed by a data center, including water used for cooling, measured in gallons.

Section 15. Reporting requirements.

(a) Beginning January 1, 2026, all data centers operating within this State shall annually report the data center's energy and water consumption to the Agency for the preceding calendar year.

(b) The report shall include: (1) the total energy consumption for the previous calendar year, broken down by month and specifying the energy source; (2) total water consumption for the previous calendar year, broken down by month and specifying whether the consumption was for cooling or another application; and (3) any measures undertaken the previous calendar year to improve energy efficiency or reduce water usage.

(c) Reports shall be submitted to the Agency no later than March 31 of each year.

Section 20. Data confidentiality and public access.

(a) Proprietary information may be exempt from public disclosure. Aggregated and anonymized data shall be made available to the public.

(b) The Agency shall publish an annual report summarizing statewide energy and water consumption trends in data centers, including, but not limited to, legislative recommendations to address identified issues.

Section 25. Enforcement and penalties.

(a) Data centers that fail to comply with the reporting requirements under this Act may be subject to fines of up to $10,000 per violation.

(b) All funds collected under this Section shall be deposited into the Energy Efficiency Trust Fund.

Section 30. Data center impact study.

(a) The Agency shall conduct a comprehensive study on the impact that data centers in this State are having on rate-paying customers.

(b) The study shall include, but is not limited to, the following: (1) the energy consumption of data centers and its effects on overall electricity demand in this State; (2) the extent to

which data centers contribute to electricity rate changes for residential, commercial, and industrial customers; (3) the environmental impact of data centers in this State; and (4) potential legislation to mitigate any negative impacts of data centers on rate-paying customers.

(c) In conducting the study, the Agency shall: (1) consult with stakeholders, including, but not limited to, public utilities, data center operators, consumer advocacy groups, and environmental organizations; (2) analyze data from public utilities and other relevant sources to assess the energy consumption and rate impacts associated with data centers; and (3) consider best practices from other states in managing the energy and rate impacts of data centers.

(d) The Agency shall submit a report detailing the findings of the study to the General Assembly and the Governor no later than 12 months after the effective date of this Act.

Section 35. Rulemaking authority. The Illinois Power Agency shall have the authority to adopt rules necessary to implement the provisions of this Act.

Section 99. Effective date. This Act takes effect upon becoming law.

Indiana HB 1043

HOUSE BILL No. 1043 Introduced Version 2026 IN 1043 — Second Regular Session of the 124th General Assembly (2026)

Introduced by: Burton **Read first time:** December 2, 2025 — referred to Committee on Natural Resources **Effective date:** July 1, 2026

DIGEST

Defines "data center." Prohibits a person from operating a data center in Indiana without obtaining a consumption permit from the Department of Natural Resources (department). Sets forth information required in a permit application. Establishes procedures for the department to approve or deny applications. Provides that a permit may be transferred under certain circumstances. Allows a person to consult with the department to assess the viability of a proposed data center with respect to water consumption. Allows the Natural Resources Commission to adopt rules to implement this bill.

A BILL FOR AN ACT to amend the Indiana Code concerning natural and cultural resources.

SECTION 1. Adds IC 14-8-2-64.5 (new section, effective July 1, 2026):

"Data center," for purposes of IC 14-25-18, means a facility:

1. whose primary services are the storage, management, and processing of digital data;
2. that is used to house computer and network systems (servers, network equipment, telecommunications, data storage), infrastructure monitoring systems, Internet-related equipment and services, data communications connections, environmental controls, fire protection systems, and security systems; and
3. that has the capability of consuming at least 10,000,000 gallons of water in one month.

SECTION 2. Adds IC 14-25-18 as a new chapter (effective July 1, 2026):

Chapter 18. Data Center Water Regulation

Sec. 1. A person may not operate a data center in Indiana without obtaining a consumption permit from the department. A separate permit is required for each data center operated.

Sec. 2. A person may consult with the department to evaluate the viability of a proposed data center with respect to water consumption. Upon request, the department shall provide a written evaluation. The department may request information including: a project description, estimated water use rates and volumes (maximum day, maximum month, average year), and the anticipated water source. All information exchanged under this section is confidential.

Sec. 3. A person may apply to the department for a consumption permit in a form and manner prescribed by the department. The application must include:

1. An application fee (as determined by the department)
2. Applicant's signature
3. A statement verifying the information is true, accurate, and complete
4. A description of the data center
5. Estimated water use rates and volumes (maximum day, maximum month, average year)
6. Anticipated source of water
7. Information demonstrating that the data center will protect public health, safety, and welfare
8. Information demonstrating use of technologies or measures to promote water conservation and watershed health, which may include: water-efficient fixtures and practices, recycling water before discharge, partnering with local utilities to reuse discharged water, using reclaimed water, installing closed-loop systems, and supporting water restoration in local watersheds.

Application fees are non-refundable.

Sec. 4. The department shall review applications. If complete, it notifies the applicant. If incomplete or inaccurate, it returns the application with written notice that a corrected application may be filed within 60 days. The department must approve or deny a complete application within 90 days of notifying the applicant of completeness.

Sec. 5. The department may not approve an application if the data center will injure public health, safety, and welfare, or impair water conservation or watershed health.

Sec. 6. If approved, the department shall issue a consumption permit to the applicant.

Sec. 7. A consumption permit may be transferred or assigned to another person who intends to operate the data center.

Sec. 8. The Natural Resources Commission may adopt rules under IC 4-22-2 to implement this chapter.

Iowa HF 2447

HOUSE FILE 2447 State of Iowa — 91st General Assembly Introduced by Representative Golding

AN ACT relating to water and energy use for data centers, including reporting and tariff requirements, and including effective date provisions.

Section 1. New Section 455B.280 — Water Usage at Data Centers

(1) Definitions:

- **"Data center"** has the same meaning as defined in Section 476.59 (see Section 4 below).
- **"Water usage effectiveness"** means a calculation of a data center's total water input divided by the total water consumption of the data center's information technology equipment.

(2) Quarterly Water Usage Reporting. The owner or operator of a data center in Iowa shall prepare and submit a water usage report to the Department of Natural Resources (department) on the following schedule:

- For data centers in operation for at least one year as of the effective date: within 3 months of the effective date
- For data centers in operation for less than one year as of the effective date: within 6 months of the effective date
- For new data centers: within 3 months of starting operations
- Quarterly thereafter

The report must contain at least the following:

Basic facility information:

1. Name of the data center
2. Owner or operator of the data center
3. Address of the data center
4. Nature or purpose of the data center
5. Month and year the data center commenced operation

Water usage information:

1. Total water input in gallons, including respective volumes for specific functions of the data center
2. Source of water, including whether from municipal supply, groundwater, or surface water; whether potable or reclaimed; and water withdrawal permit numbers. If more than one water source is used, the report must provide water usage from each source as a percentage of total water usage.
3. Performance calculations and indicators regarding water use effectiveness

(3) Publication. Within 30 days of receiving a water usage report, the department shall publish the information on its website and update it as necessary.

(4) Notice of Substantial Changes. An owner or operator that has submitted a water usage report must notify the department at least 60 days before implementing any substantial change in operations or technologies that would require an update to the reported information.

Section 2. Amends Section 476.4(3) — Data Center Tariff Classification

The Iowa Utilities Commission shall provide for a separate and distinct classification of electric service for data centers, with its own tariff schedule that is separate from other commercial or industrial retail electricity consumers. Any tariff schedule adopted for data centers must:

(a) Allocate the costs of servicing data centers in a manner equal or proportional to the costs of serving them, or directly assign costs to the data center.

(b) Mitigate the risk of:

1. Other classes of retail electricity consumers paying unwarranted costs
2. Shifting, in an unwarranted manner, the costs of serving a data center to other customer classes, including costs to meet load requirements resulting from providing electricity service to a data center

(c) In deciding whether to approve a proposed tariff, the commission shall consider whether the rate, charge, or schedule may:

1. Result in, or have the potential to result in, increased costs or unwarranted risks to other retail electricity consumers
2. Provide for equitable contributions to grid efficiency, reliability, and resiliency benefits
3. Meet any other conditions the commission may require in the public interest

---

Section 3. Amends Section 476.4 — Construction Prohibition Until Tariff Filed

A person may not construct or expand a data center until the tariff required under Section 476.4(3) has been filed by the public utility responsible for the service territory where the data center is to be constructed or expanded.

Section 4. New Section 476.59 — Energy Usage at Data Centers

(1) Definitions:

- **"Data center"** means a facility for which all of the following apply:
    1. The facility's primary services are the storage, management, and processing of digital data
    2. The facility is used to house computer and network systems, including servers, network equipment and appliances, telecommunications, data storage systems, infrastructure monitoring systems, internet-related equipment and services, data communications connections, environmental controls, fire protection systems, and security systems and services
- **"Energy reuse factor"** means a calculation of waste heat reused divided by total energy consumption.
- **"Power usage effectiveness"** means a calculation of a data center's total energy consumption divided by the total energy consumption of the data center's information technology equipment.
- **"Waste heat reused"** means any heat used or reused outside the boundary of a data center that replaces, partly or entirely, energy needed outside the boundary of the data center.

(2) Quarterly Energy Usage Reporting. The owner or operator of a data center in Iowa shall prepare and submit an energy usage report to the Iowa Utilities Commission on the same timeline as the water usage reports described in Section 1. The report must contain at least the following:

Basic facility information:

1. Name of the data center
2. Owner or operator of the data center
3. Address of the data center
4. Nature or purpose of the data center
5. Month and year the data center commenced operation

Energy usage information:

1. Total energy consumption in kilowatt-hours during the reporting period, including electricity, fuels, and other energy sources used for cooling
2. Name of the electric utility serving the data center and a copy of any electric service agreements between the utility and the data center
3. All onsite power supplies, including primary and emergency backup power, along with permit information (permit numbers, capacity, tier level, fuel type, total permitted emissions, and other relevant information)
4. Total energy consumption in kilowatt-hours measured as the combined annual energy consumption at every uninterruptible power system

Performance calculations:

- Energy reuse factor
- Power usage effectiveness

Sustainability indicators:

1. Average set point intake temperature in degrees Fahrenheit, measured as the average set point temperature across all computer rooms over a 12-month period
2. Average waste heat temperature in degrees Fahrenheit, measured as the temperature of the fluid used to cool IT equipment, averaged over 12 months and across every measurement point (measured where heated fluid enters a heat exchanger in computer rooms)
3. Amount of waste heat reused, in kilowatt-hours
4. Any other information deemed necessary by the commission

(3) Publication. Within 30 days of receiving an energy usage report, the commission shall publish the non-privileged information on its website and update it as necessary.

(4) Notice of Substantial Changes. An owner or operator that has submitted an energy usage report must notify the commission at least 60 days before implementing any substantial change in operations or technologies that would require an update to the reported information.

Section 5. Effective Date

This Act, being deemed of immediate importance, takes effect upon enactment.

Michigan SB 762

SENATE BILL NO. 762

December 18, 2025, Introduced by Senators SHINK, BAYER, GEISS, BUMSTEAD, IRWIN and CHANG and referred to Committee on Energy and Environment.

A bill to amend 1939 PA 3, entitled "An act to provide for the regulation and control of public and certain private utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers and certain providers of electric vehicle charging services; to provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; to create a public service commission and to prescribe and define its powers and duties; to abolish the Michigan public utilities commission and to confer the powers and duties vested by law on the public service commission; to provide for the powers and duties of certain state governmental officers and entities; to provide for the continuance, transfer, and completion of certain matters and proceedings; to abolish automatic adjustment clauses; to prohibit certain rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts," by amending section 5a (MCL 460.5a), as added by 1989 PA 33.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 5a. (1) On or before the first Monday of March each year, the commission shall submit an annual report that summarizes the activities of the commission to the governor and the legislature. The annual report must include a summary of commission activities and may include rules, opinions, and orders promulgated or entered by the commission during the calendar year covered by the annual report. The annual report must also contain any other information that the commission considers to be of value.

(2) Not later than July 1, 2027, and by each July 1 thereafter, the commission shall publish a report on the commission's website that contains the following information:

(a) The total amount of water used by each data center in each public water supply's service area for the preceding calendar year. Not later than June 1, 2027, and by each June 1

thereafter, each public water supply shall submit to the commission the total water usage data described in this subdivision.

(b) The total amount of energy used by each data center, described in total gigawatts per year, for the preceding calendar year.

(3) As used in subsection (2):

(a) "Data center" means a facility that is designed and intended for housing, and does house, equipment to centralize the storage and processing of data.

(b) "Public water supply" means that term as defined in section 2 of the safe drinking water act, 1976 PA 399, MCL 325.1002.

Minnesota HF 16

HOUSE FILE No. 16 — Special Session State of Minnesota, House of Representatives
Introduced: June 9, 2025

Authored by: Davids and Huot **Referred to:** Committee on Environmental and Natural Resource Protection

---

A BILL FOR AN ACT relating to data centers; modifying various environmental and energy regulatory requirements governing data centers; authorizing a clean energy and capacity tariff; modifying sales and use tax exemptions; imposing a fee; classifying data; adding and modifying various definitions; appropriating money.

Section 1. (84.0267) Coordination with Minnesota Business First Stop

It is state policy that inquiries related to data center permitting are also referred to the Minnesota Business First Stop Program (administered by the Department of Employment and Economic Development under section 116J.035, subdivision 8). The commissioner must take reasonable steps to ensure that agency permitting staff are aware of this policy and can efficiently refer inquiries to Minnesota Business First Stop.

Section 2. (103B.107) Coordination with Minnesota Business First Stop

Same policy as Section 1, applied to the Board of Water and Soil Resources. The executive director must take reasonable steps to ensure permitting staff are aware and can efficiently refer inquiries to Minnesota Business First Stop.

Section 3. Amends Section 103G.265 — Preapplication Evaluation of Certain Water Appropriation Projects (new Subd. 5)

Applies to data centers (as defined in Section 216B.02, Subd. 11) whose proposed consumptive use exceeds 100,000,000 gallons per year and which require a new or amended individual water permit.

When contacted by such a data center, the department may request preapplication information to assess whether a water source can meet the project's needs, including:

1. A project description
2. Estimated water use rates and volumes for the maximum day, maximum month, and average year
3. The anticipated source of water
4. Water quality or temperature requirements
5. Any additional information the department determines necessary

The commissioner shall evaluate the submitted information and respond in writing (which may be electronic) within a timeframe describing potential water availability constraints at each proposed site. The commissioner may consult with the commissioners of health, agriculture, the Pollution Control Agency, and other state agencies.

All communications and information exchanged under this subdivision between a data center and a government agency, or between government agencies, are classified as nonpublic data. Nothing in this subdivision precludes or supplants environmental review, preliminary well-construction approval, appropriation permit review, or any other federal, state, or local requirements.

Effective: Day following final enactment.

Section 4. Amends Section 103G.271 — Large Water Appropriation Projects; Permit Conditions (new Subd. 5b)

Applies to new or modified water use permits for data centers whose proposed new or additional consumptive use exceeds 100,000,000 gallons per year (or existing permits where the permittee intends to provide more than 100,000,000 gallons per year to a data center).

When issuing such permits, the department shall ensure that:

1. Public health, safety, and welfare are adequately protected
2. Technologies or measures that promote water conservation, efficient water use, and watershed health are reasonably considered, including: water-efficient fixtures and practices, recycling water before discharging, partnering with local water utilities to use discharged water, using reclaimed water, installing closed-loop systems, and supporting water restoration and replenishment in local watersheds
3. Water use conflicts are addressed as prescribed in Minnesota Rules, part 6115.0740

The commissioner shall require an applicant to conduct an aquifer test if necessary to ensure compliance.

Effective: Day following final enactment.

Section 5. (116.037) Coordination with Minnesota Business First Stop

Same policy as Sections 1 and 2, applied to the Pollution Control Agency.

Section 6. (144.0507) Coordination with Minnesota Business First Stop

Same policy as Sections 1 and 2, applied to the Department of Health.

Section 7. Amends Section 216B.02 — Definition: "Data Center" (new Subd. 11)

"Data center" means a facility that:

- Is designed to have a load of 100 megawatts or more, AND
- Whose primary purpose is the storage, management, and processing of digital data via information technology and network telecommunications equipment, including all related facilities and infrastructure for backup electricity generation, power distribution, environmental control, cooling, and security.

Effective: Day following final enactment.

Section 8. Amends Section 216B.02 — Definition: "Qualified Large-Scale Data Center" (new Subd. 12)

"Qualified large-scale data center" has the meaning given in Section 297A.68, Subdivision 42, paragraph (f) (see Section 17 below).

Effective: Day following final enactment.

Section 9. (216B.1622) Service to Very Large Customers

Subd. 1. Very Large Customer Class. By December 15, 2026, the Public Utilities Commission shall establish the definition and characteristics of a very large customer class or subclass for each public utility providing electric service. This may be done in a rate case or other proceeding.

Subd. 2. Tariff or Energy Supply Agreement. The commission may approve, modify, or reject a tariff or electric service agreement between a public utility and a very large customer. In evaluating such agreements, the commission must consider how best to achieve:

1. All costs attributable to very large customers (not exempt under Subd. 3) are assigned to the very large customer class
2. Electricity provided to a very large customer achieves each quantitative benchmark of the state's electricity standards under Section 216B.1691, demonstrated by a plan showing no need to delay or modify those standards
3. The tariff or agreement protects other customers from paying stranded costs
4. Any other outcome the commission deems important to ensure the agreement is in the public interest

Subd. 3. Existing Tariff or Agreements. This section does not apply to existing, renewed, or extended electric service agreements for very large customers, or to very large customers that have been actively taking electric service from the public utility prior to 2020.

Effective: Day following final enactment.

Section 10. (216B.1623) Clean Energy and Capacity Tariff

The commission shall require each public utility to offer a clean energy and capacity tariff for commercial and industrial customers. The tariff shall require a special contract between the utility and one or more customers that must:

1. Be optional for participating customers
2. Permit participating customers to elect to serve some or all of their energy/capacity usage from new clean energy or capacity resources, as long as reliability is maintained
3. Require participating customers to pay all proportional costs associated with adding the new clean energy or capacity resources, including any utility costs caused by adding those resources to the grid
4. Develop an appropriate energy and capacity credit
5. Prohibit cost shifting between participating customers and other utility customers

6. Allow a utility with an applicable existing tariff on file to demonstrate that tariff's compliance with this section

Effective: Day following final enactment.

Section 11. Amends Section 216B.1691, Subd. 2f — Solar Energy Standard

Adds "qualified large-scale data center" to the list of customer types whose retail electric sales are excluded from a small public utility's total retail electric sales when calculating compliance with the solar energy standard. Such customers may not have costs of satisfying the solar standard included in the rates charged to them.

Effective: Day following final enactment.

Section 12. Amends Section 216B.1691, Subd. 2h — Distributed Solar Energy Standard

Expands the definition of "industrial customer" (whose sales are subtracted from total retail electric sales for calculating the distributed solar standard for smaller utilities) to include qualified large-scale data centers, in addition to the existing categories of manufacturers, pipelines, and iron mining facilities.

Effective: Day following final enactment.

Section 13. Amends Section 216B.2402, Subd. 10 — Gross Annual Retail Energy Sales

Adds "qualified large-scale data center" to the list of customers whose electric sales are excluded from a utility's gross annual retail energy sales calculation (which determines energy conservation investment obligations). Also clarifies that data mining facilities meeting certain conditions continue to qualify for exclusion.

Effective: Day following final enactment.

Section 14. Amends Section 216B.241, Subd. 1a — Large Customer Facility Exemptions

Adds a new automatic exemption: a qualified large-scale data center that pays the required fee under Section 216B.72 is automatically exempt from the requirement to contribute to

investments and expenditures under an energy conservation optimization plan for electric service. Such a data center does not need to comply with the standard large customer facility petition and reporting process.

Effective: Day following final enactment.

Section 15. Amends Section 216B.241, Subd. 2a — Energy and Conservation Account

Adds a new funding source to the energy and conservation account: fees collected from qualified large-scale data centers under Section 216B.72. Money from this source is appropriated to the commissioner to conduct energy conservation, weatherization, and related activities — but only on low-income programs and only through a request-for-proposals process. The money may be spent anywhere in the state.

Effective: Day following final enactment.

Section 16. (216B.72) Qualified Large-Scale Data Center Fee

The commissioner shall collect an annual fee from each qualified large-scale data center, deposited into the energy and conservation account. The fee is based on the facility's peak demand (in megawatts) as follows:

Peak Demand	Annual Fee
100–250 MW	$2,000,000
Above 250 MW but below 500 MW	$3,000,000
500 MW but below 750 MW	$4,000x,000
750 MW or greater	$5,000,000

Fee data collected under this section is classified as nonpublic data.

Effective: Day following final enactment.

Section 17. Amends Section 297A.68, Subd. 42 — Sales Tax Exemptions for Data Centers

Extends existing sales tax exemptions for enterprise information technology equipment and computer software to qualified large-scale data centers (in addition to already-covered qualified data centers and qualified refurbished data centers).

Key definitions added or modified:

"Qualified large-scale data center" means a facility in Minnesota that:

1. Is comprised of one or more buildings connected by fiber and associated equipment, totaling at least 25,000 square feet, located in one or multiple locations; and
2. Has a total cost of construction/refurbishment, investment in enterprise IT equipment, and computer software of at least $250,000,000 collectively by the facility and its tenants within a 60-month period beginning after June 30, 2025.

Extended exemption window: A qualified data center, qualified large-scale data center, or qualified refurbished data center may claim the exemption for purchases made within 35 years (increased from 20 years) of its first qualifying purchase, or by June 30, 2042, whichever is earlier.

Additional requirements for qualified large-scale data centers:

- Laborers and mechanics constructing or refurbishing the facility must be paid the prevailing wage rate, and employers must participate in a registered apprenticeship program. DEED may not certify a data center for the exemption unless it certifies compliance with this requirement for all covered work after June 30, 2025.
- Within three years of being placed in service, the facility must certify to the commissioner of commerce that it has attained certification under at least one of the following sustainable design or green building standards: BREEAM, Energy Star, Envision, ISO 50001, LEED, Green Globes, UL 3223, or other standards approved by the commissioner of DEED.
- If a facility fails to meet the green building certification requirement, the value of the tax exemption must be repaid to the commissioner of revenue.

Effective: For sales and purchases made after June 30, 2025.

Section 18. Amends Section 297A.75, Subd. 1 — Tax Collection on Exempt Items

Updates the list of exempt items for which sales tax must be collected and then refunded to include enterprise information technology equipment and computer software for use in a

qualified large-scale data center (in addition to qualified data centers and qualified refurbished data centers already listed).

Effective: For sales and purchases made after June 30, 2025.

New Jersey SB 2274

SENATE BILL No. 2274 State of New Jersey — 222nd Legislature Pre-filed for Introduction in the 2026 Session

Sponsored by: Senator M. Teresa Ruiz (District 29 — Essex and Hudson) and Senator Renee C. Burgess (District 28 — Essex and Union) **Co-sponsored by:** Senator McKeon

Status: Introduced Pending Technical Review by Legislative Counsel

AN ACT concerning water and energy usage at data centers and supplementing Title 48 of the Revised Statutes.

Section 1.

(a) Definitions:

"Board" — The Board of Public Utilities.

"Electric public utility" — Has the same meaning as defined in section 3 of P.L.1999, c.23 (C.48:3-51).

"Energy reuse factor" — A calculation of waste heat reused divided by total energy consumption.

"Data center" — A facility: (1) whose primary services are the storage, management, and processing of digital data; and (2) that is used to house computer and network systems, including associated components such as servers, network equipment and appliances, telecommunications, and data storage systems; systems for monitoring and managing infrastructure performance; internet-related equipment and services; data communications connections; environmental controls; fire protection systems; and security systems and services.

"Power usage effectiveness" — A calculation of a data center's total energy consumption divided by the total energy consumption of the data center's information technology equipment.

"Renewable energy factor" — A calculation of a data center's total renewable energy consumption divided by the data center's total energy consumption.

"Waste heat reused" — Any heat that is used or reused outside the boundary of a data center and that replaces, partly or entirely, energy needed outside the boundary of the data center.

"Water usage effectiveness" — A calculation of a data center's total water input divided by the total energy consumption of the data center's information technology equipment.

(b) Quarterly Reporting Requirements. No later than six months after the effective date of this section, or for a data center that has been in operation for at least one year as of the effective date, no later than three months after the effective date, and quarterly thereafter, the owner or operator of a data center in New Jersey shall prepare and submit a combined water and energy usage report to the Board of Public Utilities containing at minimum:

(1) Basic facility information:

- Name of the data center
- Owner or operator of the data center
- Address of the data center
- Nature or purpose of the data center
- Month and year the data center commenced operation

(2) Energy and water usage information:

- Total energy consumption in kilowatt-hours, including electricity, fuels, and other energy sources used for cooling
- Name of the electric utility serving the data center and any electric service agreements between the utility and the data center
- All onsite power supplies, including primary and emergency backup power, along with permit numbers, capacity, tier level, fuel type, total permitted emissions, and any other relevant information
- Total energy consumption of information technology equipment in kilowatt-hours, measured as the combined annual energy consumption at every uninterruptible power system connected to IT equipment
- Total water input in cubic meters, including all water volumes entering the data center for all functions — information technology, security, power, and environment
- Source of water, including municipal water supply, groundwater, or surface water, and whether each source is potable or reclaimed. If more than one water source is used, water usage from each source must be provided as a percentage of total water usage.

(3) Performance calculations and indicators:

- Energy reuse factor
- Power usage effectiveness
- Renewable energy factor
- Water usage effectiveness

(4) Sustainability indicators:

- Average set point IT equipment intake air temperature in degrees Fahrenheit, measured as the average set point temperature across all computer rooms over a 12-month period
- Average waste heat temperature in degrees Fahrenheit, measured as the temperature of the fluid used to cool IT and communications equipment, averaged over 12 months and across all measurement points (measured where heated fluid enters a heat exchanger in computer rooms)
- Amount of electricity derived from renewable energy, in kilowatt-hours
- Amount of waste heat reused, in kilowatt-hours

(5) Any other information determined by the board to be necessary.

(c) Publication. Within 30 days of receiving a report, the board shall publish the information on its website and update it as necessary.

(d) Notice of Substantial Changes. An owner or operator that has submitted a report must notify the board of any substantial change in operations or technologies that would require an update to the reported information at least 60 days prior to implementing the change.

(e) Coordination. The board shall consult and coordinate with the Department of Environmental Protection in implementing this section.

Section 2. Effective Date

This act shall take effect immediately.

New York SB 6394

STATE OF NEW YORK SENATE BILL 6394-A 2025-2026 Regular Sessions
March 13, 2025
Introduced by Sens. GONZALEZ, MAY -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications -- reported favorably from said committee and committed to the Committee on Environmental Conservation -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee
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:
Section 1. Short title. This act shall be known and may be cited as the "New York State Sustainable Data Centers Act".
§ 2. Legislative intent and findings. The legislature finds that data centers are significant energy and water consumers and significant contributors to air and water pollution. The expansion and operation of data centers across the state impairs New York state's ability to achieve the renewable energy and emissions reduction benchmarks required by the climate leadership and community protection act due to their significant use of energy and water and significant emissions of greenhouse gases generated through the power needs of their operation. Given the growing demand for the construction of data centers, there is a critical need to improve the energy efficiency of data centers and reduce their energy consumption, water consumption, reliance on fossil fuels, and emissions. Likewise, the large quantities of water used by data centers contribute an additional threat to the health of the state's waters, the ecosystems of which they are an integral part, and the residents of the state who rely on them. This act will ensure that economic development involving data centers is consistent with the state's environmental standards and principles, and that where renewable energy is used to power data centers, that such energy is being used responsibly, with the interests and health of the public in mind.
§ 3. The public service law is amended by adding a new article 12 to read as follows:
ARTICLE 12 — REGULATION OF DATA CENTER ENERGY CONSUMPTION

Section 240. Definitions.

Section 241. Data center disclosure reports.

Section 242. Public engagement.

Section 243. Annual data center disclosure report updates.

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

1. "Carbon dioxide equivalents" shall have the meaning given to such term in section 75-0101 of this chapter.
2. "Data center" shall mean: (a) a structure, group of structures, or infrastructure within an existing structure for the central housing of server racks that are used for the interconnection and operation of information technology and network telecommunications equipment for the provision of data storage, data processing, or data transport services; and (b) all related facilities and infrastructure for power distribution, environmental control, cooling and security required to deliver the desired service with respect to the specific data center.
3. "Data center operator" shall mean the owner or operator of the data center, or other person who has comparable rights of use over a data center, including any person or entity responsible for allocating space for external use of information technology and network telecommunications equipment within a data center.
4. "Data center disclosure report" shall mean that report which data center operators must submit to the commission prior to construction of a data center, as required by section two hundred forty-one of this article.
5. "Employee" shall have the meaning given to such term in section seven hundred forty of the labor law.
6. "Host community" shall mean any municipality within which a data center, or any portion thereof, has been developed or proposed for development, or which suffers any negative impact from a data center.
7. "Negative impact" shall mean any increase in emissions of regulated air contaminants as defined in subdivision twenty-two of section 19-0107 of the environmental conservation law, discharges into waters of the state as described in subdivision two of section 17-0301 of the environmental conservation law, noise pollution, or any other form of pollution that affects a host community.
8. "Renewable energy" shall have the same meaning as "renewable energy systems" as defined in section sixty-six-p of this chapter.
9. "Regulated data center" shall mean a data center projected to have an energy usage capacity of five or more megawatts.
10. "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.
11. "Hyperscale data center" shall mean a data center that takes up ten thousand square feet or more and uses at least five thousand servers.
12. "Micro data center" shall mean a data center that is enclosed within one standard server rack and does not support critical loads of more than one hundred fifty kilowatts.

§ 241. Data center disclosure reports. For any proposed regulated data center, the proposed data center operator shall submit a data center disclosure report to the department and the commission at least one hundred eighty days prior to commencing any construction activities related to a regulated data center. The report shall contain relevant information regarding the proposed regulated data center, including:

1. (a) the host community or communities in which the regulated data center will be located; and (b) the organization of the planned regulated data center as a single operator enterprise or managed data center, colocated facility, hyperscale data center, micro data center, or a container or modular data center.
2. the number of full-time and part-time employees the data center operator intends to employ at the planned regulated 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. (a) the projected average energy usage of the planned data center per day 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 average 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 emissions of carbon dioxide equivalents produced to power the facility which are produced off-site; (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. If a planned regulated data center is required to obtain and hold a permit pursuant to title fifteen of article fifteen of the environmental conservation law, the data center operator shall report: (a) the amount of water projected to be used annually and how that water will be used in the planned regulated data center; and (b) the average amount of water expected to be used daily measured in gallons.
5. For any regulated data center making any discharge within the meaning of article seventeen of the environmental conservation law, the data center operator shall report: (a) the annual projected discharges by type and amount; and (b) how discharges will be treated, if at all, to remove pollutants and/or to what extent discharge temperature will be adjusted, if at all, before being discharged.

6. The commission may promulgate rules requiring additional disclosures, as appropriate.

§ 242. Public engagement. The commission shall publicize the data disclosure report on its website within ten days of receiving such report. The data center operator shall hold at least two public hearings within sixty days after submitting its data center disclosure report to the commission. At least one of the two public hearings must be held within the host community where the data center operator plans to locate its data center. The data center operator shall provide at least thirty days advance notice to residents of host communities of any planned public hearings. Notice of public hearings shall include the time, place, and location of each public hearing, a summary of the proposed data center project, and the specific location of the planned data center. Methods of providing notice to a host community shall include, but shall not be limited to, coverage in any print or digital publication produced by local, community, and ethnic media. During a public hearing conducted pursuant to this section, the data center operator must explicitly disclose and present its finding under section two hundred forty-three of this article in clear and concise language comprehensible for members of the public in general. It shall also address the efforts it will make to reduce any negative impacts to the host community and its environment that the planned data center may cause. A draft of the data center disclosure report shall be made publicly available no later than thirty days prior to the first hearing.
§ 243. Annual data center disclosure report updates.

1. A regulated data center operator shall submit an annual data disclosure report to the commission, which the commission shall post on its website within fifteen days of receipt. Data center operators shall include all changes to the disclosures required pursuant to section two hundred forty-one of this article from year-to-year. Additionally, annual reports shall include but not be limited to information regarding the data center operator's efforts toward greater energy efficiency and overall sustainability that year. Such findings shall be presented in clear and concise language readily comprehensible for members of the general public.
2. Specifically, data center operators shall report: (a) Efforts made to reduce energy consumption within the past year; (b) A comparison of the year's energy consumption to the initial projected amounts outlined in subdivision three of section two hundred forty-one of this article, and, following the first year, a comparison to the year before; (c) A projection for energy usage for the next year, that includes the same information as required by subdivision three of section two hundred forty-one of this article; (d) Efforts made to reduce fossil fuel consumption and increase the percentage of energy use of, or support for renewable energy within the past year, with a comparison of the year's fossil fuel consumption to the projected amount, and, following the first year, a comparison to the year before; (e) Efforts made to reduce water consumption within the past year; (f)(i) For data centers that are required to obtain and hold a permit pursuant to title fifteen of article fifteen of the

environmental conservation law, a comparison of the year's water usage to the projected amount, and, following the first year, a comparison to the year before, expressed in gallons; and (ii) For data centers that are required to have a permit pursuant to title fifteen of article fifteen of the environmental conservation law, a projection for water usage for the next year, disclosing the same information as required by subdivision four of section two hundred forty-one of this article; (g) Efforts made to protect the environment and public from polluted water in the past year accompanied by measurements of actual water pollution in a manner to be determined by the department pursuant to regulations; (h) Efforts made to reduce waste heat and utilize waste heat to power the data center accompanied by measurements of actual heat waste emission and reuse; and (i) Percentage of data center employees that live within the host community.

3. In the event of any noncompliance with section two hundred forty-one or two hundred forty-three of this article, the department shall notify the data center operator. The data center operator shall have sixty days to cure such violation. If such violation has not been cured after sixty days, such data center shall be subject to fines of up to ten thousand dollars based on the severity and extent of the violation and shall be assessed another ten thousand dollar fine for every day they are late in complying with such sections. All funds collected under this article shall be deposited into the environmental protection fund established by section ninety-two-s of the state finance law.
4. The department and the attorney general are authorized to enforce the provisions of this article.

§ 4. The public authorities law is amended by adding a new section 1854-e to read as follows:
§ 1854-e. Energy consumption efficiency goals.

1. No later than one year after the effective date of this section, the authority, in conjunction with the federally designed bulk system operator, the public service commission, and the New York state climate action council shall determine reasonable energy consumption efficiency goals for the design and operation of data centers as defined in article twelve of the public service law, including, but not limited to, recycling of waste heat emitted from data centers into an energy source. Such goals shall align with the benchmarks set forth in the climate leadership and community protection act enacted by chapter one hundred six of the laws of two thousand nineteen and shall be reviewed and updated accordingly, annually.
2. A data center operator that has commenced operation prior to the effective date of this section shall have two years to comply with the energy consumption efficiency goals developed pursuant to this section. A data center operator that has commenced operation within one year of the effective date of this section shall have one year to comply with such energy consumption efficiency goals.

§ 5. The energy law is amended by adding a new article 19 to read as follows:
ARTICLE 19 — DATA CENTERS
Section 19-101. Fossil fuel power purchase agreements.
§ 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 regulated data centers, as set forth in article twelve of the public service law.
2. In furtherance of the goals set forth in the climate leadership and community protection act: (a) by two thousand thirty, at least one-third of all energy used by regulated 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 regulated data centers shall be provided through power purchase agreements exclusively for renewable energy; and (c) by two thousand forty, all energy used by regulated data centers shall be provided through power purchase agreements exclusively for renewable energy.
3. For the purposes of this section, the following terms shall have the following meanings: (a) "Power purchase agreement" shall mean an agreement between a data center operator, a utility, an authority, or an independent power producer wherein the utility agrees to provide the data center electricity, or an independent power producer, over a defined period of time. (b) "Utility" shall have the same meaning as "utility company" as defined in section two of the public service law.

§ 6. The public service law is amended by adding a new section 76-a to read as follows:
§ 76-a. Data center surcharge and discount plan.

1. The public service commission is hereby authorized and directed, to initiate a proceeding within three months of this bill becoming law to establish a regulated data center surcharge that will be charged to all regulated data centers. The commission when determining the surcharge, shall ensure the surcharge will be sufficient to cover any rate increases resulting from transmission and distribution system upgrades that are required for regulated data centers to interconnect to the grid and operate, along with any increases in energy supply costs directly resulting from the operations of data centers.
2. All monies collected from the regulated data center surcharge, excluding any reasonable and prudently incurred utility administrative costs associated from collecting the surcharge, shall be directed to the energy affordability program created within the department case docket 14-M-0565, in the Order Adopting Low Income Program Modifications and Directing Utility Filings, Proceeding on Motion of the Commission to Examine Programs to Address Energy Affordability for Low Income Utility Customers May 20, 2016, or any successor programs.
3. The commission shall authorize each electric utility corporation to establish an account that is solely used for storing the proceeds of the regulated utility data

center surcharge, and once every year, upon review and approval from the commission, shall transfer those proceeds to their energy affordability program customers in the form of monthly bill credits.

4. This proceeding shall include a public comment period of at least sixty days and four public hearings in different regions of the state.
5. Within one year of the effective date of this section the commission shall issue an order requiring all electric corporations to implement a surcharge on regulated data centers within their service territories. The commission shall review and update this surcharge for regulated data centers once every three years.

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

Pennsylvania AB 2777

HOUSE BILL No. 2150 — Printer's No. 2777 The General Assembly of Pennsylvania Session of 2026

Introduced by: Mullins, Donahue, Waxman, Prokopiak, Hill-Evans, Otten, Shusterman, Webster, Rivera, Vitali, Sappey, Mayes, Borowski, Sanchez, Malagari, Rabb, Cepeda-Freytiz, Boyd, Steele, Frankel, Scott, and Cerrato — January 20, 2026 **Referred to:** Committee on Energy — January 20, 2026

AN ACT providing for annual reporting of energy consumption and water consumption by data centers; and imposing a penalty.

Section 1. Short Title

This act shall be known and may be cited as the **Data Center Energy and Water Reporting Act**.

Section 2. Definitions

"Commission" — The Pennsylvania Public Utility Commission.

"Data center" — All or part of a facility that is composed of one or more businesses, owners, or tenants, that is or will be predominantly used to house working servers or similar data storage systems, and that may have uninterruptible energy supply or generator backup power, or both, cooling systems, towers, and other temperature control infrastructure.

"Department" — The Department of Environmental Protection of the Commonwealth.

"Energy consumption" — The total amount of electricity or other forms of energy consumed by a data center, measured in kilowatt-hours.

"Facility" — One or more parcels of land in this Commonwealth and any structures and personal property contained on the land.

"Water consumption" — The total amount of water consumed by a data center, including water used for cooling, measured in gallons.

Section 3. Reporting Requirements

(a) Annual Report. Each data center operating in Pennsylvania shall submit an annual report to the Department of Environmental Protection on the facility's energy consumption and water consumption for the preceding calendar year.

(b) Contents. The report shall include:

1. The name and address of the facility, including the nature or purpose of the facility
2. Total energy consumption for the previous calendar year, specified by month and energy source consumed
3. The average amount of energy usage per hour during peak load, measured in kilowatt-hours
4. Total water consumption for the previous calendar year, along with the maximum day demand, specified by month, water source, and whether the consumption was for cooling or another application
5. Any measures undertaken in the previous calendar year to improve energy or water efficiency and reduce energy or water consumption
6. Any measures undertaken to protect the environment and public from polluted water
7. Any measures undertaken to generate electricity onsite to reduce carbon emissions or impacts on the electric grid, including the specific energy source, and any potential future measures to generate electricity or other energy onsite
8. Total amount of waste heat produced onsite, measured in British thermal units (BTUs)
9. Any measures undertaken to recover waste heat to power the data center, or to recover waste heat for general building heating, cooling systems, or coolant systems specifically for the capture of waste heat from processors
10. The projected total energy and water demand for the following year, including a comparison to the previous year's total energy and water consumption (if applicable)
11. Any other information required by the department

(c) Submission. Beginning July 1, 2027, and each July 1 thereafter, the annual report shall be submitted in a manner determined by the department.

(d) Department Duties. The department, in consultation with the commission, shall publish an annual report on energy and water consumption trends for data centers operating in Pennsylvania, including environmental impacts and recommendations to address identified issues. The report shall be made available on the department's publicly accessible website and submitted in paper or electronic form to:

1. The Governor

2. The chairperson and minority chairperson of the Senate Environmental Resources and Energy Committee
3. The chairperson and minority chairperson of the House Energy Committee
4. The chairperson and minority chairperson of the House Environmental and Natural Resource Protection Committee
5. The chairperson and minority chairperson of the Senate Consumer Protection and Professional Licensure Committee
6. The chairperson and minority chairperson of the House Consumer Protection, Technology and Utilities Committee

(e) Data Confidentiality.

1. Proprietary information in annual reports may be exempt from public disclosure.
2. All aggregated and anonymized data shall be made publicly available.

Section 4. Enforcement and Penalties

(a) Violations. A data center that fails to comply with the reporting requirements under Section 3 shall be subject to a civil penalty of **$10,000 per day** until the report is submitted to the department.

(b) Deposit of Penalties. Penalties collected under this section shall be deposited into the low-income electric customer assistance program of the energy distribution company for the service territory in which the data center is located.

Section 5. Effective Date

This act shall take effect immediately.

Pennsylvania HB 2246

HOUSE BILL No. 2246 — Printer's No. 2937 The General Assembly of Pennsylvania Session of 2026

Introduced by: Webster, Waxman, Prokopiak, Hill-Evans, Probst, Haddock, Rivera, Vitali, Sappey, Burgos, Mayes, Borowski, Sanchez, Malagari, Donahue, Cepeda-Freytiz, Boyd, Steele, Frankel, Scott, and Freeman — February 24, 2026**Referred to:** Committee on Environmental and Natural Resource Protection — February 25, 2026

AN ACT amending Title 27 (Environmental Resources) of the Pennsylvania Consolidated Statutes, in water resources planning, further providing for the State water plan and providing for covered data centers; and promulgating regulations.

Section 1. Amends Section 3111(c) of Title 27 (State water plan — Limitation of authority):

Except as provided under Section 3118.1 (relating to covered data centers), nothing in this chapter shall be construed to authorize, expand, or diminish the existing authority of the department, including the Environmental Quality Board, to regulate, control, or require permits for the withdrawal or use of water.

Section 2. Adds Section 3118.1 to Title 27:

§ 3118.1. Covered Data Centers

(a) Department Powers. Subject to Section 501 of the Clean Streams Law, the Department of Environmental Protection (department) may:

1. Require notification and reporting from a covered data center related to water use and withdrawals
2. Require additional conditions for permits issued under Section 402 of the Clean Streams Law to a covered data center
3. Monitor water withdrawals by a covered data center
4. Coordinate with other governmental bodies as necessary

(b) Preapplication Notification. A person developing a covered data center project must notify the department in a form and manner it prescribes. Upon receipt, the department shall require the covered data center to report additional information to assess whether a water source can adequately meet the project's needs, including:

1. A description of the project and how water will be used
2. Daily, monthly, and annual estimated maximum water use and discharge rates and volumes
3. The anticipated water source
4. Evidence that the proposed withdrawal will not adversely affect the quantity or quality of water for other uses or users, and that source water body designations and uses will be maintained
5. Water quality and temperature requirements for both intake and discharge
6. Any additional information the department determines necessary

The department shall review the submitted information and provide a written response within 30 days describing potential water availability constraints at each proposed site.

(c) Additional Permit Considerations. When issuing a new or modified permit under Section 402 of the Clean Streams Law to a covered data center, the department shall ensure that:

1. Adequate protections for the environment, water quality, public health, and public safety are maintained
2. Water quality, quantity, and affordability for public water system customers and adjacent users (including private wells) are not adversely impacted
3. The quantity of water available is sufficient to support the data center's use
4. Water use conflicts are addressed consistent with relevant State and local law
5. Technologies and measures that promote water conservation are considered, including:
    - Water-efficient fixtures and practices
    - Recycling water before discharging
    - Partnering with local water utilities to reuse discharged water
    - Using reclaimed water
    - Installing closed-loop systems
    - Supporting water restoration and replenishment in local watersheds

The department shall require a permit applicant to conduct an aquifer test if it determines such results are necessary. If the covered data center is within the jurisdiction of a river basin commission, the applicant must obtain approval from that commission before commencing water withdrawals.

(d) Coordination. The department shall consult and coordinate with other Commonwealth agencies, the Pennsylvania Public Utility Commission, municipalities, river basin commissions, and county conservation districts as needed when reviewing or evaluating a project under this section.

(e) Denial. The department shall deny any request if it finds a reasonably foreseeable risk of adverse impact to adjacent water users, waters of the Commonwealth, wetlands, or any other water use, as prescribed by regulation.

(f) Monitoring.

1. The department shall require monitoring of water sources (surface and groundwater) for any adverse impact after construction is complete.
2. If an adverse impact occurs, the department shall require the covered data center to temporarily cease withdrawal until the adverse impact is remedied.

(g) Forms. The department shall publish all forms created under this section on its publicly accessible website.

(h) Fee.

1. The department may charge a fee set by the Environmental Quality Board sufficient to cover the duties required to implement this section.
2. Revenue from the fee shall be deposited into the Clean Water Fund and used exclusively for the administration and enforcement of this section.

(i) Regulations.

1. The Environmental Quality Board shall promulgate regulations as necessary to implement this section.
2. To facilitate prompt implementation, the Board shall promulgate temporary regulations that expire no later than two years after publication. These temporary regulations are not subject to: the Administrative Code of 1929, the Commonwealth Documents Law, the Commonwealth Attorneys Act, or the Regulatory Review Act.
3. The Board's authority to adopt temporary regulations expires two years after this paragraph's effective date. Regulations adopted after that period shall be promulgated under standard law before the temporary regulations expire.

(j) Prohibition. Nothing in this section limits any existing department duty or requirement.

(k) Appeals. Any determination by the department under this section may be appealed under the Environmental Hearing Board Act.

(l) Definitions.

"Covered data center" means all or part of a facility that:

1. Is composed of one or more businesses, owners, or tenants
2. Is predominantly used to house working servers or similar data storage systems
3. May have uninterruptible energy supply or generator backup power, cooling systems, towers, and other temperature control infrastructure
4. Has a proposed consumptive water use exceeding **100,000 gallons per day** over a period of 30 days

---

Section 3. This act takes effect in 60 days.

Notably, compared to the Indiana bill you looked at earlier, Pennsylvania's threshold for a "covered" data center is much lower — 100,000 gallons per day (about 3 million gallons per month) versus Indiana's 10 million gallons per month. Pennsylvania's bill also leans more heavily on existing Clean Streams Law permitting infrastructure rather than creating a standalone permit system.

Utah HB 76

HOUSE BILL 76 — Enrolled Copy State of Utah — 2026 General Session

Title: Data Center Water Transparency Amendments **Chief Sponsor:** Rep. Jill Koford **Senate Sponsor:** Sen. Scott D. Sandall **Cosponsors:** Jake Fitisemanu, Jennifer Dailey-Provost, James A. Dunnigan, Joseph Elison, Stephanie Pitcher, John Arthur Sahara, Hayes David Shallenberger, Jason B. Kyle, Jason E. Thompson, Trevor Lee, Clinton D. Okerlund

Effective Date: May 6, 2026

AN ACT addressing reporting related to water use and large data centers; amending Section 73-2-25 and enacting Section 73-5-8.3, Utah Code Annotated 1953.

Highlighted Provisions:

- Defines terms
- Directs land use authorities to issue certain notices
- Requires certain large data centers to communicate with water providers
- Requires reporting by operators of certain large data centers before construction and annually
- Addresses disclosure of the reported information
- Provides enforcement mechanisms
- Addresses rulemaking
- Makes technical and conforming amendments

No money is appropriated in this bill.

Section 1. Amends Section 73-2-25 — State Engineer Enforcement Powers

Adds failure to submit a report required by new Section 73-5-8.3 (see Section 2 below) to the list of violations for which the state engineer may commence an enforcement action. Penalties for violations of Section 73-5-8.3 are governed by Section 73-5-8.3 itself rather than the standard penalty provision. Other existing enforcement provisions are retained unchanged (notice of violation, cease and desist orders, right to hearing, judicial review by trial de novo, and attorney fee recovery).

Section 2. Enacts Section 73-5-8.3 — Reporting by Large Data Centers

(1) Definitions:

"Construction activity" — A physical activity necessary to construct a new large data center, as may be further defined by the Division of Water Rights by rule.

"Division" — The Division of Water Rights.

"Land use authority" — A land use authority of a municipality or county.

"Large data center" — A facility with an annual water withdrawal of **75 acre-feet per year or more** that:

1. Houses a group of networked server computers in one physical location to disseminate, manage, and store data as the primary service of the facility
2. Consists of one or more buildings totaling at least 10,000 square feet
3. Includes facilities and infrastructure for: (a) environmental control, cooling, and security; or (b) on-site energy generation by the operator to power the facility
4. Is owned or leased by the operator or a person under common ownership with the operator
5. Is located on one or more parcels owned or leased by the operator or a person under common ownership with the operator

"Municipality" — As defined in Section 10-1-104.

"New large data center" — A large data center that begins operations on or after July 1, 2026.

"Operator of a large data center" — The owner or operator, or other person with comparable rights of use over a large data center, including any person responsible for allocating space for external use of IT and network telecommunications equipment within the facility.

"Water provider" — A retail water supplier (as defined in Section 19-4-102) or a water conservancy district formed under the Water Conservancy District Act.

---

(2) Land Use Authority Notification

Before a land use authority of a municipality or county approves a land use application for a new large data center, the land use authority must notify by mail or email:

- The Division of Water Rights

- The Division of Water Quality
- The relevant water provider, if any

---

(3) Pre-Construction Reporting (90–360 days before construction)

On or after July 1, 2026, at least 90 days — but no sooner than 360 days — before beginning construction activities on a new large data center, the operator must:

(a) Notify the water provider serving the area in writing, detailing the anticipated water consumption needs so the water provider can determine whether the anticipated consumption is compatible with the location.

(b) Report to the Division of Water Rights:

1. The municipality (if applicable) and county where the new large data center will be located
2. The estimated annual water withdrawal amount
3. Plans to treat discharges, if applicable
4. Whether, and to what estimated extent, discharge temperature will be adjusted
5. Whether, and to what planned extent, the facility will engage in water reuse or activities to replace water used by the facility

---

(4) Annual Reporting (after operations begin)

After a new large data center begins operation, the operator must report annually to the Division of Water Rights by July 1 each year for the previous calendar year:

1. Efforts made to reduce water consumption during the calendar year
2. Actual water withdrawals for the calendar year
3. Efforts to protect the environment and public from polluted water, if applicable
4. Other information required by the division by rule

This annual reporting requirement applies unless the state engineer separately requires the data center to report water data by rule under another statute.

---

(5) Disclosure of Reported Information

(a) Public disclosure: The division must publish water withdrawal data for each new large data center (reported under pre-construction or annual reporting) on its public website by September 1 each year for the previous calendar year — reported individually, not in aggregate.

(b) Protected/proprietary information: The following categories of reported information are treated as protected records not subject to public disclosure, if the operator complies with the applicable Government Records Access and Management Act (GRAMA) procedures:

- Discharge treatment plans
- Estimated extent of discharge temperature adjustment
- Planned extent of water reuse
- Efforts to reduce water consumption
- Efforts to protect environment from polluted water
- Any additional information required by the division by rule (if the division designates it as protected at the time of the rulemaking)

(c) Aggregated/anonymized disclosure: By September 1 each year, the division must publicly disclose aggregated and anonymized data based on protected information, organized by county, on its public website, and separately provide the same to each municipality or county where a new large data center required to report is located.

(d) Non-proprietary sharing: Regardless of the above, the division must provide non-proprietary information from pre-construction and annual reports to the Division of Water Quality and the relevant water provider.

---

(6) Enforcement

(a) The division may enforce the reporting requirements under this subsection.

(b) If an operator fails to submit a required report or submits an incomplete report, the division shall notify the operator of the failure or incompleteness.

(c) If the operator fails to submit a complete report after receiving that notice, the division shall impose a fine of up to **$100 per day** for each day of continued noncompliance.

(d) Money collected from fines is deposited into the General Fund.

Section 3. Effective Date

This bill takes effect on May 6, 2026.

Virginia SB 553

SENATE BILL NO. 553 2026 Regular Session Virginia General Assembly

Offered: January 14, 2026 **Prefiled:** January 14, 2026

A BILL to amend and reenact § 62.1-44.38 of the Code of Virginia, relating to certain data from water users; water use consumption of data centers.

Patrons: Srinivasan, Marsden, Perry, Stuart and Williams Graves

Referred to: Committee on Agriculture, Conservation and Natural Resources

---

Be it enacted by the General Assembly of Virginia:

1. That § 62.1-44.38 of the Code of Virginia is amended and reenacted as follows:

§ 62.1-44.38. Plans and programs; registration of certain data by water users; advisory committees; committee membership for federal, state, and local agencies; water supply planning assistance.

A. The Board shall prepare plans and programs for the management of the water resources of the Commonwealth in such a manner as to encourage, promote, and secure the maximum beneficial use and control thereof. These plans and programs shall be prepared for each major river basin of the Commonwealth, and appropriate subbasins therein, including specifically the Potomac-Shenandoah River Basin, the Rappahannock River Basin, the York River Basin, the James River Basin, the Chowan River Basin, the Roanoke River Basin, the New River Basin, and the Tennessee-Big Sandy River Basin, and for those areas in the Tidewater and elsewhere in the Commonwealth not within these major river basins. Reports for each basin shall be published by the Board.

B. 1. In preparing river basin plan and program reports enumerated in subsection A, the Board shall (i) estimate current water withdrawals and use for agriculture, industry, domestic use, and other significant categories of water users; (ii) project water withdrawals and use by agriculture, industry, domestic use, and other significant categories of water users; (iii) estimate, for each major river and stream, the minimum instream flows necessary during drought conditions to maintain water quality and avoid permanent damage to aquatic life in streams, bays, and estuaries; (iv) evaluate, to the extent practicable, the ability of existing subsurface and surface waters to meet current and future water uses, including minimum instream flows, during drought conditions; (v) evaluate, in cooperation with the Virginia Department of Health and local water supply managers, the current and future capability of

public water systems to provide adequate quantity and quality of water; (vi) estimate, using a data-driven method that includes multiple reasonable assumptions about supply and demand over varying time frames, the risk that each locality and region will experience water supply shortfalls; and (vii) evaluate hydrologic, environmental, economic, social, legal, jurisdictional, and other aspects of each alternative management strategy identified.

2. The Board shall direct the Department of Environmental Quality (the Department) in its facilitation of regional water planning efforts. The Department shall (i) ensure that localities coordinate sufficiently in the development of regional water plans; (ii) provide planning, policy, and technical assistance to each regional planning area, differentiated according to each area's water supply challenges, existing resources, and other factors; and (iii) ensure that each regional plan clearly identifies the region's water supply risks and proposes strategies to address those risks.

3. When preparing drought evaluation and response plans pursuant to subdivision 1, the Board shall recognize the localities that include any portion of the service area of a water supply utility in the Commonwealth that uses the Potomac River as a water supply source as a distinct drought evaluation region. Such plans shall incorporate the provisions of the Metropolitan Washington Water Supply and Drought Awareness Response Plan: Potomac River System (2000), including provisions related to triggers, actions, and messages for the Potomac River drought evaluation region. Nothing in this subdivision regarding the incorporation of such provisions shall be construed to limit the authority of the Governor during a declared drought emergency.

C. The Board may, by regulation, require each water user withdrawing surface or subsurface water or both during each year to register, by a date to be established by the Board, water withdrawal and use data for the previous year including the estimated average daily withdrawal, maximum daily withdrawal, sources of water withdrawn, and volume of wastewater discharge, provided that the withdrawal exceeds one million gallons in any single month for use for crop irrigation, or that the daily average during any single month exceeds 10,000 gallons per day for any other user. Location data shall be provided by each user in a coordinate system specified by the Board. However, any water user required to register water withdrawal and use data pursuant to this subsection that provides water to a data center, as that term is defined in subdivision A 43 of § 58.1-3506, shall report to the Board, on a monthly basis or as frequent a basis as practicable, the total volume of water, including the portion that is reclaimed water, provided to such data center during the reporting period.

D. The Board shall establish advisory committees to assist it in the formulation of such plans or programs and in formulating recommendations called for in subsection E. In this connection, the Board may include committee membership for branches or agencies of the federal government, branches or agencies of the Commonwealth, branches or agencies of

the government of any state in a river basin located within that state and Virginia, the political subdivisions of the Commonwealth, and all persons and corporations interested in or directly affected by any proposed or existing plan or program.

E. The Board shall prepare plans or programs and shall include in reports prepared under subsection A recommended actions to be considered by the General Assembly, the agencies of the Commonwealth and local political subdivisions, the agencies of the federal government, or any other persons that the Board may deem necessary or desirable for the accomplishment of plans or programs prepared under subsection B.

F. In addition to the preparation of plans called for in subsection A, the Board, upon written request of a political subdivision of the Commonwealth, shall provide water supply planning assistance to such political subdivision, including assistance in preparing drought management strategies, water conservation programs, evaluation of alternative water sources, state enabling legislation to facilitate a specific situation, applications for federal grants or permits, or other such planning activities to facilitate intergovernmental cooperation and coordination.

Washington HB 2515

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2515 State of Washington — 69th Legislature, 2026 Regular Session
Originally sponsored by: Representatives Doglio, Ramel, Wylie, Stearns, Duerr, Parshley, Ryu, Simmons, Kloba, Berry, Scott, Fosse, Pollet, Macri, Street, and Reed Referred to: House Appropriations Read first time: February 9, 2026
AN ACT relating to addressing emerging large energy use facilities; amending RCW 19.29A.010, 70A.65.120, and 82.08.988; adding new sections to chapters 19.29A, 82.08, and 82.12 RCW; and creating new sections.

Section 1. Legislative Findings
The legislature finds that data centers are emerging large energy use facilities that have the potential to significantly affect Washington's energy affordability and reliability, local communities, jobs, environment, and economy. Data centers are projected to make up the largest source of expected electricity load growth in the Pacific Northwest. The legislature established tax incentives for data centers in 2010 and updated them in 2022, but the industry has since undergone major changes driven by artificial intelligence.
Data centers have brought benefits including construction jobs and significant new tax revenues, especially to rural communities. They are also major users of electricity, water, and refrigerant chemicals.
The legislature's policy priorities for these facilities are affordability, grid reliability, transparency, and environmental protection. It intends to protect energy affordability for consumers; ensure data center energy demands do not harm grid reliability; require transparency about energy, water, and refrigerant use; and require the use of 100 percent clean energy over time.

Section 2. Amends RCW 19.29A.010 — Definitions
Adds and renumbers definitions throughout the chapter. Key new definitions include:
"Emerging large energy use facility" — A facility with a maximum aggregate contract demand of 20 megawatts or more that is primarily engaged in providing a service described under NAICS code 518210 (data processing, hosting, and related services).
"Emerging large energy use facility tariff or policy" — The rates, terms, and conditions set by an electric utility for providing electricity service to an emerging large energy use facility electric customer.
"Marginal load" — At least two percent of an emerging large energy use facility's maximum aggregate contract demand.
Other definition updates include expanding "consumer-owned utility" to include port districts, and minor clarifications to existing definitions.

Section 3. New Section — Emerging Large Energy Use Facility Tariff or Policy Requirements
(1) Investor-owned utilities. By October 1, 2026, each investor-owned utility with an emerging large energy use facility in its service territory must submit an emerging large energy use facility tariff or policy to the Utilities and Transportation Commission (commission). Within 10 months of submission, the commission must review and approve, disapprove, or approve with modifications the tariff or policy.
(2) Consumer-owned utilities. By October 1, 2026, each consumer-owned utility with an emerging large energy use facility in its territory must submit a tariff or policy to its governing board for review. The governing body must approve a compliant tariff or policy within 10 months. An existing compliant tariff or policy may also be approved.
(3) Utilities without current data center customers are not required to develop a tariff or policy until they plan to serve a new emerging large energy use facility. A utility must have an adopted tariff or policy before providing electricity service to any new such facility.
(4) Required standards. All tariff or policy submissions must be designed to avoid immediate and long-term risks to electric customers, including cost shifts from emerging large energy use facilities to other customers, stranded utility assets, and any other increased costs resulting from serving such a facility.
(5) Required elements. In developing tariffs or policies, electric utilities must include each of the following elements (or explain in writing why any element is excluded):
(a) Minimum 10-year contracts with commitments including:

- Collateral requirements
- Charges designed to recover infrastructure costs regardless of actual usage
- Exit fees sufficient to cover all power, infrastructure, and administrative costs remaining upon early exit, default, or permanent closure
- Other provisions to hold the utility and ratepayers harmless if the facility substantially changes its operations

(b) Full cost recovery charges, which may include:

- Direct interconnection costs including studies and infrastructure improvements
- Costs of energy generation, transmission, distribution, capacity, and ancillary services
- All compliance costs under the Clean Energy Transformation Act (chapter 19.405 RCW), the Climate Commitment Act (chapter 70A.65 RCW), and resource adequacy requirements

(c) Information requirements — The facility must provide timely, complete, and verifiable information on power supply arrangements, load forecasts, operational flexibility, and other system-relevant characteristics upon request by the utility.
(d) Cost-reflective pricing structures, which may include real-time or other dynamic pricing mechanisms.
(e) Marginal load demand response — The facility's marginal load must either:

- Participate in a demand response or interruptible load program of the interconnected utility; or
- Fund the costs of providing peak demand reductions at least equal to its marginal load for a utility demand response program serving other retail customers. In either case, diesel generator use may not be increased as a result.

(6) All contracts between a utility and an emerging large energy use facility must conform to the approved tariff or policy.
(7) Compliance timelines:

- Facilities commencing operation on or after August 1, 2027 must agree to an approved tariff or policy before receiving electricity service.
- Facilities that commenced operation before August 1, 2027 and are not already under contract must comply with an approved tariff or policy by January 1, 2028.
- Facilities already under contract prior to August 1, 2027 may continue under that contract until the later of January 1, 2028 or renegotiation/expiration of the contract.
- A utility may require earlier renegotiation if it determines it is not recovering the full costs of serving the facility.

Section 4. New Section — Sustainability Reports and Annual Reporting
Each emerging large energy use facility owner must:
(1) Publish a sustainability report demonstrating how the facility will balance energy, water, and computing performance to maximize efficiency and overall sustainability, including:

- Projected annual energy and water consumption for three years and the source of each
- Evidence that the facility has access to adequate water supply through an existing or third-party water system or a state-issued water right

Publication timelines:

- Proposed facilities: before or simultaneous with filing any state or local permit application
- Existing facilities (operating prior to enactment): by January 1, 2027
- Operating facilities: update and republish every three years

Reports must be made publicly available electronically and submitted to the Department of Commerce, Department of Ecology, and relevant local jurisdiction(s).

(2) Annually report to the Department of Ecology by March 31st each year for the prior year, covering:
(a) Water consumption: Annual water consumption and water quality permit information; water use effectiveness per ISO/IEC 30134-9:2022 or equivalent international standards;

daily water quantities; total and peak uses; effluents discharged outside the facility; and all water quality permits including existing permits and new applications.
(b) Refrigerants: Server cooling technology and use of regulated refrigerants and substitutes, including refrigerant type, full charge size, monthly and annual quantities used, quantities leaked, and quantities recovered for disposal outside the facility (including the recipient entity).
(c) Energy consumption: Annual and monthly energy use including peak demands, and the source of energy.
(d) Air emissions: Annual emissions of criteria air pollutants and toxic air pollutants regulated under the Washington Clean Air Act or the federal Clean Air Act, plus all air permits including existing permits and new applications.
(3) Upon submitting to the Department of Ecology, make the annual report publicly available electronically.
(4) Reporting may be done at the campus level.

Section 5. New Section — Resource Forecasting and Interconnection Best Practices
The Utilities and Transportation Commission and the Department of Commerce must collaborate to improve resource forecasting of emerging large energy use facility loads. They must facilitate a work group of utilities, emerging large energy use facilities, and other stakeholders to establish best practices for facilities to: (a) demonstrate commercial readiness before entering interconnection queues; and (b) disclose to the interconnecting utility and the department any substantially similar requests for electric service in the same or another balancing authority when requesting interconnection, if approval would result in the customer materially changing, delaying, or withdrawing the interconnection request. Best practices must be posted electronically by January 1, 2027. Beginning January 1, 2027, emerging large energy use facilities seeking interconnection must follow these best practices.

Section 6. New Section — Clean Energy Requirements
The owner of an emerging large energy use facility that commences operation after July 1, 2026, or an expanded facility, must:
(a) Beginning in 2031 and every year thereafter, certify to the Department of Commerce that for the prior year it used electricity from renewable resources or nonemitting generation (as defined in RCW 19.405.020) from facilities that commenced operation on or after January 1, 2026, to serve its load in an amount meeting or exceeding 80 percent of its annual energy and capacity requirements.
(b) Beginning in 2046 and every year thereafter, certify that it used renewable or nonemitting electricity to serve 100 percent of its annual energy and capacity requirements. Electricity used to meet these requirements may be:

- Behind-the-meter generation at the facility location
- Electricity delivered under a contract with the serving electric utility

- Electricity delivered under a third-party contract using the utility's distribution system (if the utility allows such arrangements)

For compliance, the facility must acquire electricity along with its renewable energy credit in a single transaction, and must not use the associated electricity for any other purpose. Renewable energy credits must be documented and retired to a retirement subaccount within the Western Renewable Energy Information System. No double counting is permitted. Compliance is the sole responsibility of the facility owner.
"Expanded emerging large energy use facility" means a facility with an increase of 20,000 or more square feet dedicated to housing working servers, or an increase of 20 or more megawatts in maximum aggregate contract demand, occurring on or after July 1, 2026.

Section 7. Amends RCW 70A.65.120 — Climate Commitment Act Allowance Allocation
Removes emerging large energy use facilities from eligibility for no-cost carbon allowance allocations starting January 1, 2028 (for emissions year 2029 onward). Electric utilities must provide the Department of Ecology an annual list by July 31st each year of existing and forecast retail customers that are emerging large energy use facilities, including forecast maximum power delivery, forecast annual retail load in MWh for four years, customer name, and facility type. Also extends the deadline for the third compliance period allowance rulemaking from 2028 to 2030.

Section 8. New Section — Labor Standards for Behind-the-Meter Energy Projects
For any behind-the-meter energy system project owned by an emerging large energy use facility, all construction work must be performed under community workforce agreements or project labor agreements, with payment of area standard prevailing wages and apprenticeship utilization requirements. These are self-contained, stand-alone agreements — neither the prime contractor nor subcontractors are obligated to sign any other local, area, or national agreement by virtue of being bound to such an agreement.

Section 9. New Section to Chapter 82.08 RCW — Sales Tax Exemption for Eligible Computer Data Centers
(1) Exemption. A sales tax exemption is provided for purchases by qualifying businesses and qualifying tenants of eligible server equipment to be installed in an eligible computer data center with a valid exemption certificate, and for labor and services for installing such equipment. The exemption also covers eligible power infrastructure (excluding diesel backup generators and substations).

- No more than one certificate may be issued per calendar year per eligible computer data center.
- No new exemption certificates may be issued on or after July 1, 2030.

(2) Application. Qualifying businesses or tenants must apply to the Department of Revenue. Certificates are effective on the date the application is received. Certificates expire one year after issuance unless construction has commenced.
(3) Employment requirements. Within six years of certificate issuance, the qualifying business or tenant must establish a net increase in employment of at least:

- 35 family wage employment positions; or, if lower,
- 3 family wage employment positions per 20,000 square feet or less of newly dedicated server space.

The minimum employment level must be maintained while the certificate is valid. Failure to meet employment requirements results in immediate repayment of all exempted taxes, with exceptions allowed for economic recessions, pandemics, or natural disasters. Repayment is calculated proportionally to the duration of noncompliance.
"Family wage employment positions" means new permanent full-time positions (40 hours/week) paying at least 125% of the per capita personal income of the county where the facility is located, with employer-provided health insurance.
(4) Green building certification. Within three years of being placed in service, the qualifying business must certify attainment of at least one of the following sustainable design or green building standards: BREEAM, Energy Star, Envision, ISO 50001, LEED, Green Globes, UL 3223, or other standards approved by the department. Failure to obtain certification results in repayment of all exempted taxes plus a 10 percent additional penalty, with exceptions for extenuating circumstances.
(5) Encouraged practices (non-mandatory) include: coordinating with the industrial waste coordination program; procuring renewable power; improving energy efficiency through technology upgrades and airflow management; and conserving, reusing, and replacing water through efficient fixtures, rainwater harvesting, recycled water, partnerships with local utilities, and watershed restoration support.
(6) Annual tax performance reports must be filed with the department under RCW 82.32.534, including construction firm names and employment levels used in constructing or remodeling the data center.
(7) Certificate transfers require prior written department consent and are permitted only for affiliates, acquirers of substantially all stock or assets, or entities resulting from a merger or consolidation.
(8) Key definitions:
"Computer data center" — A facility of one or more buildings of at least 100,000 combined square feet, constructed specifically and used primarily to house working servers, with uninterruptible power supplies or generator backup, sophisticated fire suppression, and enhanced physical security.
"Eligible computer data center" — A computer data center (a) located in a county east of the Cascades that borders another state and has a population of at least 500,000; (b) with at

least 20,000 square feet dedicated to housing working servers; and (c) for which construction commences after June 30, 2026 and before July 1, 2029.
"Eligible power infrastructure" — Fixtures and equipment for the transformation, distribution, or management of electricity needed to operate eligible server equipment. Does not include substations or diesel backup generators.
"Eligible server equipment" — Original server equipment installed in an eligible computer data center on or after July 1, 2026. Does not include equipment in modular or prefabricated units or shipping containers.
"Qualifying business" — A for-profit business entity that owns an eligible computer data center. Excludes government entities at all levels and tribal governments.
"Qualifying tenant" — A for-profit business entity that leases space within an eligible computer data center. Excludes government entities and affiliated lessees replacing pre-existing server equipment.

Section 10. New Section to Chapter 82.12 RCW — Use Tax Exemption
Provides a parallel use tax exemption (mirroring the sales tax exemption in Section 9) for qualifying businesses and qualifying tenants using eligible server equipment and eligible power infrastructure at eligible computer data centers with a valid Section 9 exemption certificate. All definitions and requirements from Section 9 apply.

Section 11. Amends RCW 82.08.988 — Prevailing Wage and Apprenticeship Requirements
Extends the existing prevailing wage and apprenticeship utilization requirements (already applicable to existing data center tax exemptions under RCW 82.08.986 and 82.08.9861) to the new tax exemption created in Section 9 of this act. For any new construction at a data center receiving these exemptions, work must be performed under community workforce agreements or project labor agreements with area standard prevailing wages and apprenticeship utilization, subject to the same terms (stand-alone agreements, no obligation to sign other agreements).

Section 12. Tax Preference Performance Statement
This section constitutes the required performance statement for the tax preferences in Sections 9 and 10. The legislature categorizes these exemptions as intended to: induce certain designated taxpayer behavior, improve industry competitiveness, create or retain jobs, and reduce structural inefficiencies in the tax structure.
The specific policy objective is to improve industry competitiveness and increase, create, or retain family wage jobs in data centers in east-of-the-Cascades counties bordering another state with a population over 500,000 (based on April 1, 2025 OFM estimates).
The Joint Legislative Audit and Review Committee must review the tax preference by July 1, 2029, assessing whether it is: generating capital investment in new data centers; generating state and local tax collections; and generating or maintaining construction and trade jobs. The audit must compare the preference to those of other businesses, assess jobs created

(number, duration, and tax revenue foregone per job), direct and indirect economic development impacts, and to the extent practicable, impacts on utility ratepayers.

Wisconsin AB840

2025 ASSEMBLY BILL 840 State of Wisconsin — 2025–2026 Legislature LRB-5891/1
Introduced: January 9, 2026 Introduced by Representatives: Zimmerman, Born, Allen, Armstrong, Brooks, Dallman, Dittrich, Duchow, Green, Gundrum, B. Jacobson, Knodl, Krug, Kreibich, Maxey, Melotik, Murphy, Nedweski, Neylon, Novak, O'Connor, Penterman, Petersen, Snyder, Sortwell, Summerfield, Tranel, Wittke, and Hurd Cosponsored by Senators: Quinn, Feyen, Jagler, James, Marklein, and Wimberger Referred to: Committee on State Affairs
AN ACT to create sections 196.20(10), 196.492, and 299.70 of the statutes; relating to certain requirements related to data centers.

ANALYSIS BY THE LEGISLATIVE REFERENCE BUREAU
This bill establishes the following requirements related to data centers:

1. The Public Service Commission must ensure in its rate-making orders that no costs associated with the construction or extension of electric infrastructure that primarily serves a data center are allocated to or recovered from any other customer.
2. Any renewable energy facility that primarily serves the load of a data center must be located at the site of the data center.
3. Water used by a data center for cooling purposes must be contained in a closed-loop cooling system — a system for removing heat from equipment that relies on a fixed volume of water that is continually recycled.
4. The operator of a data center must annually report to the Department of Natural Resources (DNR) the total amount of water used by the data center for the prior 12-month period.
5. A person may not operate a data center unless they file with DNR a bond or other security in an amount sufficient to cover the estimated cost of fulfilling any required reclamation.
6. If construction of a proposed data center is not completed, the owner must notify DNR and commence restoring the parcel to the condition that existed prior to any construction.

SECTION 1. Creates Section 196.20(10) — Cost Allocation for Electric Infrastructure
(a) Definition: "Data center" means a facility having a primary purpose of storing, managing, and processing digital data.
(b) The Public Service Commission shall ensure in rate-making orders that no costs associated with the construction or extension of electric infrastructure that primarily serves the load of a data center are allocated to or recovered from any other customer.

SECTION 2. Creates Section 196.492 — Location of Renewable Energy Facilities Serving Data Centers

(1) Definitions:

- "Data center" means a facility having a primary purpose of storing, managing, and processing digital data.
- "Renewable energy" has the meaning given in section 196.378(1)(fg).
- "Renewable energy facility" means an electric generating facility that generates renewable energy.

(2) Location Requirement: Any renewable energy facility that primarily serves the load of a data center shall be located at the site of the data center.

SECTION 3. Creates Section 299.70 — Data Centers

(1) Definitions:

- "Closed-loop cooling system" means a system for removing heat from equipment that relies on a fixed volume of water that is continually recycled.
- "Data center" means a facility having a primary purpose of storing, managing, and processing digital data.

(2) Water Usage:

- A data center may not be constructed or operated in this state unless water used for cooling purposes is contained in a closed-loop cooling system.
- A person may not operate a data center in this state unless the person annually reports to DNR the total amount of water used by the data center for the prior 12-month period.

(3) Bonds and Other Security:

- A person may not operate a data center unless they file with DNR a bond furnished by a surety company licensed to do business in Wisconsin. In lieu of a bond, the person may deposit cash, certificates of deposit, or government securities with DNR. Interest received on certificates of deposit and government securities shall be paid back to the person.
- The amount of the bond or other security must equal the estimated cost of fulfilling the reclamation required under subsection (4).
- Upon approval of the bond or other security, DNR shall issue written authorization to commence construction of the data center.

(4) Reclamation: If construction of a proposed data center is not completed, the owner shall notify DNR and commence restoring the parcel on which construction was begun. The owner shall restore the parcel, to the greatest extent feasible, to the condition that existed prior to any construction on the data center.