

119TH CONGRESS
2D SESSION

H. R. 9655

To amend the Public Utility Regulatory Policies Act of 1978 to add a standard prohibiting the recovery of costs associated with data centers by certain electric utilities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 13, 2026

Mr. RILEY of New York (for himself and Mr. VAN DREW) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To amend the Public Utility Regulatory Policies Act of 1978 to add a standard prohibiting the recovery of costs associated with data centers by certain electric utilities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Fair Allocation of In-
5 frastructure Responsibility for Data Act” or the “FAIR
6 Data Act”.

1 **SEC. 2. PURPA STANDARD FOR RECOVERY OF COSTS ASSO-**
2 **CIATED WITH COVERED DATA CENTERS.**

3 (a) IN GENERAL.—Section 111(d) of the Public Util-
4 ity Regulatory Policies Act of 1978 (16 U.S.C. 2621(d))
5 is amended by adding at the end the following:

6 “(22) COSTS ASSOCIATED WITH COVERED DATA
7 CENTERS.—

8 “(A) COST RECOVERY RELATING TO COV-
9 ERED DATA CENTERS.—No covered utility may
10 recover from residential or small business elec-
11 tric consumers, including through rates charged
12 by such covered utility for providing electric
13 service, any costs of the covered utility associ-
14 ated with covered data centers, including any
15 costs associated with any upgrade made to the
16 generation, transmission, or distribution facili-
17 ties of the electric grid in order to meet the de-
18 mand for electric energy from covered data cen-
19 ters.

20 “(B) DEFINITIONS.—In this paragraph:

21 “(i) COVERED UTILITY.—The term
22 ‘covered utility’ means a State regulated
23 electric utility that is investor owned.

24 “(ii) COVERED DATA CENTER.—The
25 term ‘covered data center’ means a facility,
26 or an aggregation of facilities at a single

1 site, with respect to which the peak de-
2 mand of such facility or such aggregation
3 of facilities exceeds 75 megawatts, that
4 primarily contain electronic equipment
5 used to process, store, transmit, or host
6 digital information and the electrical, me-
7 chanical, and environmental control equip-
8 ment to maintain the proper conditions for
9 the operation of electronic equipment.”.

10 (b) CONFORMING AMENDMENTS.—

11 (1) CONSIDERATION AND DETERMINATION.—

12 Section 111(a) of the Public Utility Regulatory Poli-
13 cies Act of 1978 (16 U.S.C. 2621(a)) is amended by
14 striking “Each State” and inserting “Except as oth-
15 erwise provided in this section, each State”.

16 (2) OBLIGATIONS TO CONSIDER AND DETER-

17 MINE.—Section 112 of the Public Utility Regulatory
18 Policies Act of 1978 (16 U.S.C. 2622) is amended—

19 (A) in subsection (b), by adding at the end

20 the following:

21 “(9)(A) Not later than 6 months after the date

22 of enactment of this paragraph, each State regu-
23 latory authority (with respect to each covered utility
24 (as defined in paragraph (22) of section 111(d)) for
25 which the State has ratemaking authority) shall

1 commence consideration under section 111, or set a
2 hearing date for consideration, with respect to the
3 standard established by such paragraph (22) of sec-
4 tion 111(d).

5 “(B) Not later than 1 year after the date of en-
6 actment of this paragraph, each State regulatory au-
7 thority (with respect to each covered utility (as de-
8 fined in paragraph (22) of section 111(d)) for which
9 the State has ratemaking authority) shall complete
10 the consideration and make the determination under
11 section 111 with respect to the standard established
12 by such paragraph (22) of section 111(d).”;

13 (B) in subsection (c)—

14 (i) by striking “subsection (b)(2)” and
15 inserting “subsection (b)”; and

16 (ii) by inserting “Each State regu-
17 latory authority (with respect to each cov-
18 ered utility (as defined in paragraph (22)
19 of section 111(d)) for which it has rate-
20 making authority) shall undertake the con-
21 sideration, and make the determination,
22 referred to in section 111 with respect to
23 the standard established by paragraph (22)
24 of section 111(d) in the first rate pro-
25 ceeding commenced after the date three

1 years after the date of enactment of this
2 sentence respecting the rates of such cov-
3 ered utility if such State regulatory author-
4 ity has not, before such date, complied
5 with subsection (b) with respect to such
6 standard.” after “paragraph (21).”; and
7 (C) by adding at the end the following:

8 “(i) OTHER PRIOR STATE ACTIONS.—Subsections
9 (b) and (c) shall not apply to the standard established by
10 paragraph (22) of section 111(d) in the case of a covered
11 utility (as defined in paragraph (22) of section 111(d))
12 in a State if, before the date of enactment of this sub-
13 section—

14 “(1) the State has implemented for the covered
15 utility the standard (or a comparable standard);

16 “(2) the State regulatory authority for the
17 State has conducted a proceeding to consider imple-
18 mentation of the standard (or a comparable stand-
19 ard) for the covered utility; or

20 “(3) the State legislature has voted on the im-
21 plementation of the standard (or a comparable
22 standard) for the covered utility during the 3-year
23 period ending on that date of enactment.”.

24 (3) PRIOR AND PENDING PROCEEDINGS.—Sec-
25 tion 124 of the Public Utility Regulatory Policies

1 Act of 1978 (16 U.S.C. 2634) is amended by insert-
2 ing “For purposes of subtitle A and B, and this sub-
3 title, proceedings commenced by State regulatory au-
4 thorities (with respect to covered utilities (as defined
5 in paragraph (22) of section 111(d)) for which it has
6 ratemaking authority) before the date of the enact-
7 ment of this sentence and actions taken before such
8 date in such proceedings shall be treated as com-
9 plying with the requirements of subtitles A and B,
10 and this subtitle, if such proceedings and actions
11 substantially conform to such requirements. For
12 purposes of subtitles A and B, and this subtitle, any
13 such proceeding or action commenced before the
14 date of enactment of this sentence, but not com-
15 pleted before such date, shall comply with the re-
16 quirements of subtitles A and B, and this subtitle,
17 to the maximum extent practicable, with respect to
18 so much of such proceeding or action as takes place
19 after such date, except as otherwise provided in sec-
20 tion 121(c).” after “paragraph (21).”.

21 **SEC. 3. CONDITIONS ON DOE FUNDING AND FERC ANNUAL**
22 **REPORT.**

23 (a) **FUNDING CONDITIONS.**—Notwithstanding any
24 other provision of law, a State regulatory authority may
25 not receive funds provided by the Secretary for adminis-

1 trative or technical assistance unless the State regulatory
2 authority submits to the Secretary, with respect to that
3 fiscal year, a certification that—

4 (1) costs associated with covered data centers,
5 including costs for any upgrade made to the genera-
6 tion, transmission, or distribution facilities of the
7 electric grid in order to meet the demand for electric
8 energy from covered data centers, will not be recov-
9 ered through increased rates for residential or small
10 business electric consumers; and

11 (2) the State regulatory authority has required
12 each owner or operator of a covered data center that
13 claimed in its permit applications or other state-
14 ments regarding construction and operation of the
15 covered data center that the operation of the covered
16 data center would decrease utility bills of residential
17 and small business electric consumers in the applica-
18 ble community to provide such State regulatory au-
19 thority an annual report on the actual cost savings
20 for residential and small business electric consumers
21 in the applicable community.

22 (b) REPORT.—Not later than September 30 of the
23 fiscal year in which this Act is enacted, and every Sep-
24 tember 30 thereafter, the Federal Energy Regulatory
25 Commission shall submit to Congress a report on the im-

1 pact of covered data center demands on residential and
2 small business electricity rates and grid reliability.

3 (c) DEFINITIONS.—In this section:

4 (1) ELECTRIC CONSUMER.—The term “electric
5 consumer” has the meaning given such term in sec-
6 tion 3 of the Public Utility Regulatory Policies Act
7 of 1978 (16 U.S.C. 2602).

8 (2) COVERED DATA CENTER.—The term “cov-
9 ered data center” means a facility, or an aggrega-
10 tion of facilities at a single site, with respect to
11 which the peak demand of such facility or such ag-
12 gregation of facilities exceeds 75 megawatts, that
13 primarily contain electronic equipment used to proc-
14 ess, store, transmit, or host digital information and
15 the electrical, mechanical, and environmental control
16 equipment to maintain the proper conditions for the
17 operation of electronic equipment.

18 (3) SECRETARY.—The term “Secretary” means
19 the Secretary of Energy.

20 (4) STATE REGULATORY AUTHORITY.—The
21 term “State regulatory authority” has the meaning
22 given such term in section 3 of the Public Utility
23 Regulatory Policies Act of 1978 (16 U.S.C. 2602).

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