

1 AN ACT relating to data centers.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔ SECTION 1. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO
4 READ AS FOLLOWS:

5 (1) As used in this section:

6 (a) "Contract" means the service agreement between a retail electric supplier
7 and a customer that owns or operates a data center;

8 (b) "Contract capacity" means the mutually agreed amount of monthly peak
9 load requirements for each month during the remaining term of the
10 contract after the load ramp period has expired;

11 (c) "Data center" means:

12 1. A qualified data center project that has been approved for a certificate
13 of exemption under KRS 139.499; or

14 2. A centralized facility that:

15 a. Is used primarily or exclusively for electronic information
16 services, including but not limited to the mining of
17 cryptocurrency and the management, storage, processing, and
18 dissemination of electronic data and information through the
19 use of computer systems, servers, networking equipment, and
20 related components; and

21 b. Has electrical load that is either fixed, portable, or distributable,
22 including but not limited to structures that are not affixed to the
23 ground or are easily removed from a location;

24 (d) "Data center customer" means a customer of a retail electric supplier that
25 owns or operates, or proposes to own or operate, a data center or who is
26 otherwise responsible for paying for electric service for a data center;

27 (e) "Existing load" means data center electrical load for which a letter of

1 agreement or electric service agreement was signed prior to the effective
2 date of this Act;

3 (f) "Load ramp period" means the time of commencement of electric service
4 until the customer reaches full contract capacity;

5 (g) "New load" means data center electrical load for which a letter of
6 agreement or electric service agreement was not signed prior to the effective
7 date of this Act; and

8 (h) "Total aggregated customer contract capacity" means all new loads of fifty
9 (50) megawatts or more for affiliated companies and companies with
10 common ownership of a data center that are in the same service territory of
11 the data center.

12 (2) A retail electric supplier shall not provide service to a data center customer that
13 has a total aggregated customer contract capacity of greater than one hundred
14 (100) megawatts unless it has filed, and the commission has approved, a tariff or
15 contract with minimum data center service requirements, including but not
16 limited to requirements relating to:

17 (a) Minimum contract durations;

18 (b) Early contract termination fees;

19 (c) Load ramp period terms; and

20 (d) The provision of financial assurances by data center customers.

21 (3) The requirements of this section shall not apply to a data center customer with
22 existing load above one hundred (100) megawatts that has already signed a letter
23 of agreement or electric service agreement prior to the effective date of this Act.
24 However, a data center customer with exempt existing load that expands by more
25 than one hundred (100) megawatts above the contracted capacity under its
26 existing or a new electric service agreement following the effective date of this
27 Act shall be subject to the requirements of this section with regard to the

1 expansion.

2 (4) The commission shall not approve a tariff filed pursuant to this section unless the
3 record of the proceeding at which the tariff is considered demonstrates that:

4 (a) All capital and operating costs for new generation, transmission, or
5 distribution facilities built to serve the data center exclusively are assigned
6 to the data center customer on an incremental cost basis;

7 (b) Any costs for new facilities that provide a shared benefit to other customer
8 classes are allocated proportionally, to ensure that the data center customer
9 pays its average embedded cost share, plus any additional incremental costs
10 necessary to meet the specific reliability or capacity needs of the data center
11 load; and

12 (c) Any allocation of shared data center costs to other customer classes does
13 not result in any greater adverse impact on the rates or service for those
14 other customer classes than would have existed had the data center not
15 connected to the system.

16 ➔Section 2. This Act may be cited as the Kentucky Ratepayer Protection Act.