

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 SUBCHAPTER 10 OF KRS CHAPTER
4 224 IS CREATED TO READ AS FOLLOWS:

5 *(1) As used in this section, "data center" means:*

6 *(a) A qualified data center project that has been approved for a certificate of*
7 *exemption under KRS 139.499; or*

8 *(b) A centralized facility that:*

9 *1. Is used primarily or exclusively for electronic information services,*
10 *including but not limited to the management, storage, processing, and*
11 *dissemination of electronic data and information through the use of*
12 *computer systems, servers, networking equipment, and related*
13 *components;*

14 *2. Has electrical load that is either fixed, portable, or distributable,*
15 *including but not limited to structures that are not affixed to the*
16 *ground or are easily removed from a location;*

17 *3. Has an expected or actual peak of real-time energy demand of fifteen*
18 *(15) megawatts or greater; and*

19 *4. Has an expected or actual monthly load factor of sixty percent (60%)*
20 *or greater.*

21 *(2) A data center shall not commence operations unless it has the approval from the*
22 *cabinet pursuant to the requirements of this section.*

23 *(3) (a) To obtain approval from the cabinet to begin operations, an owner of a data*
24 *center shall submit a water feasibility study to the cabinet to determine if*
25 *there is an adequate supply of water for the data center's proposed use and*
26 *to estimate the impact of the use on existing wells, groundwater, and*
27 *surface waters in the vicinity.*

1 (b) A water feasibility study shall not be approved by the cabinet unless the
2 study demonstrates that the anticipated water supply yield is adequate for
3 the project and that the proposed water withdrawals and discharges will not
4 endanger or adversely affect the quantity or quality of groundwater supplies
5 or surface waters in the vicinity.

6 (c) The water feasibility study shall include the following information:

7 1. The projected water demands of the data center;

8 2. The source of water to be used;

9 3. A description of how water will be used, including the amount or
10 portion of water to be used for each purpose, including but not limited
11 to cooling, humidity control, fire suppression, and domestic usage;

12 4. The long-term safe yield of the water source;

13 5. A description of the amount or portion of water withdrawn that will be
14 recycled or discharged and by what means;

15 6. A geologic map of the area with a radius of at least one (1) mile from
16 the site;

17 7. The location of all existing and proposed wells within one thousand
18 (1,000) feet of the property boundary, with a notation of the capacity
19 of all high-yield wells;

20 8. The location of all surface waters, including perennial and
21 intermittent streams, rivers, lakes, reservoirs, ponds, wetlands, springs,
22 natural seeps, and estuaries, within one thousand (1,000) feet of the
23 data center's property boundary;

24 9. A determination of the effects of the proposed water supply system on
25 the quantity and quality of water in nearby wells, surface waters, and
26 the groundwater table;

27 10. A statement of the qualifications and the signature of all persons

- 1 preparing the study; and
- 2 11. Any other information that the cabinet may require.
- 3 (4) All data centers shall submit to the cabinet an annual water usage report, the
- 4 required contents of which shall be determined by the cabinet and set forth in
- 5 administrative regulations promulgated pursuant to KRS Chapter 13A by the
- 6 cabinet on or before December 1, 2026. A data center shall submit its annual
- 7 water usage report pursuant to the following schedule:
- 8 (a) A data center which has already commenced operations before the effective
- 9 date of this Act shall submit its report to the cabinet by July 1, 2027, and
- 10 each July 1 thereafter; and
- 11 (b) A data center which commences operation after the effective date of this Act
- 12 shall submit its report by July 1 of the year following its initial water
- 13 feasibility study approval, and each July 1 thereafter.
- 14 (5) The cabinet may promulgate administrative regulations in accordance with KRS
- 15 Chapter 13A to give effect to the requirements of this section.