

119TH CONGRESS
2D SESSION

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To impose certain requirements on data centers to ensure the prioritization of residential ratepayers, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. HAWLEY (for himself and Mr. BLUMENTHAL) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To impose certain requirements on data centers to ensure the prioritization of residential ratepayers, 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 “Guaranteeing Rate In-
5 sulation from Data Centers Act” or the “GRID Act”.

6 SEC. 2. FINDINGS.

7 Congress finds that the construction and operation
8 of data centers and the power sources used to supply data
9 centers with energy—

7 SEC. 3. DEFINITIONS.

8 In this Act:

12 (A) owns, operates, or maintains a data
13 center; or

14 (B) has plans to own, operate, or maintain
15 a data center within the next 5 years.

22 (A) by a covered agency (as defined in sec-
23 tion 834(a) of the Carl Levin and Howard P.
24 “Buck” McKeon National Defense Authoriza-

3 (B) by a contractor on behalf of a covered
4 agency (as so defined).

25 (A) an electric utility;

1 (B) a gas utility (as defined in section 302
2 of the Public Utility Regulatory Policies Act of
3 1978 (15 U.S.C. 3202));

4 (C) a public water system (as defined in
5 section 1401 of the Safe Drinking Water Act
6 (42 U.S.C. 300f));

10 (E) any other regulated utility that pro-
11 vides water, energy, or other essential services
12 to a data center.

13 (9) ZERO RATE EFFECT CERTIFICATE.—The
14 term “Zero Rate Effect Certificate” means a certifi-
15 cate issued by the Secretary under section 4(b).

16 SEC. 4. DATA CENTER REQUIREMENT FOR OFF-GRID 17 POWER SUPPLY.

18 (a) PROHIBITION.—

1 combination of sources separate from, and not deriv-
2 ing power from, the electric grid.

3 (2) EXISTING DATA CENTERS.—Until the date
4 that is 10 years after the date of enactment of this
5 Act, a covered entity that owns, operates, or main-
6 tains an existing data center that derives any of its
7 energy from the electric grid as of the date described
8 in paragraph (1) may comply with the prohibition
9 under that paragraph by obtaining and maintaining
10 an unexpired Zero Rate Effect Certificate.

11 (b) ZERO RATE EFFECT CERTIFICATE.—

12 (1) IN GENERAL.—For the 10-year period be-
13 ginning on the date of enactment of this Act, a cov-
14 ered entity that owns, operates, or maintains an ex-
15 isting data center that derives any of its energy from
16 the electric grid shall submit to the Secretary a re-
17 quest for the issuance of a Zero Rate Effect Certifi-
18 cate for that data center.

19 (2) STUDY REQUIRED.—On receipt of a request
20 for a Zero Rate Effect Certificate, the Secretary
21 shall study and determine—

22 (A) how interconnection costs and other in-
23 frastructure costs needed to supply the data
24 center with power from the electric grid are al-
25 located;

1 payers, the Secretary shall issue a Zero Rate
2 Effect Certificate for the data center.

3 (B) RESIDENTIAL RATEPAYER
4 PRIORITIZATION.—In making a determination
5 under subparagraph (A), the Secretary shall
6 prioritize the electrical rates paid by residential
7 ratepayers over all other ratepayer classes.

8 (4) DURATION OF CERTIFICATE.—A Zero Rate
9 Effect Certificate issued under paragraph (3) shall
10 expire 1 year after the date of issuance.

11 (5) REISSUANCE.—A covered entity may apply
12 for the reissuance of a Zero Rate Effect Certificate
13 as necessary.

14 (c) RATE EFFECT CREDITS.—

15 (1) IN GENERAL.—A covered entity may meet
16 the requirements for the issuance of a Zero Rate Ef-
17 fect Certificate by paying Rate Effect Credits or
18 through some other financial arrangement that, in
19 the determination of the Secretary, would offset the
20 effect on the electrical rates paid by ratepayers.

21 (2) RESIDENTIAL RATEPAYER
22 PRIORITIZATION.—In making a determination under
23 paragraph (1), the Secretary shall prioritize the elec-
24 trical rates paid by residential ratepayers over all
25 other ratepayer classes.

1 (d) **LEGAL REQUIREMENT.**—Any power source, in-
2 cluding a captive power plant, on-site generation, or other
3 source described in subsection (a)(1), that is used to gen-
4 erate electricity for a data center shall comply with all ap-
5 plicable local, State, and Federal laws (including regula-
6 tions) based on the actual use and emissions of the power
7 source.

8 (e) **LABOR REQUIREMENT.**—A covered entity seeking
9 to construct any power source described in subsection
10 (a)(1) shall enter into a project labor agreement (as de-
11 fined in section 52.222–34(a) of title 48, Code of Federal
12 Regulations (or a successor regulation)) for the construc-
13 tion of the power source.

14 (f) **ENFORCEMENT.**—Any person who violates sub-
15 section (a) shall be subject to a civil penalty of not less
16 than \$1,000,000 per day of the violation.

17 (g) **REGULATIONS.**—

18 (1) **IN GENERAL.**—The Secretary may promul-
19 gate such regulations as the Secretary determines to
20 be necessary to implement this section.

21 RESIDENTIAL RATEPAYER
22 PRIORITIZATION.—In promulgating regulations
23 under paragraph (1), the Secretary shall prioritize
24 the electrical rates paid by residential ratepayers
25 over all other ratepayer classes.

1 SEC. 5. DATA CENTER REPORTING REQUIREMENTS.

2 (a) **UTILITY USAGE.**—Not later than 90 days after
3 the date of enactment of this Act, the Secretary shall es-
4 tablish a national requirement for covered entities to pro-
5 vide to the public—

6 (1) for each new data center that is, or is
7 planned to be, owned, operated, or maintained by
8 the covered entity, estimates of the utility usage by
9 the new data center for—

10 (A) the first year of planned operation of
11 the new data center; and

12 (B) each of the next 5 years following that
13 first year of planned operation; and

14 (2) for each existing data center that is, or is
15 planned to be, owned, operated, or maintained by
16 the covered entity—

17 (A) estimates of the utility usage by the
18 existing data center for—

19 (i) the current year; and

20 (ii) each of the next 5 years; and

21 (B) information on the actual utility usage
22 during each of the 5 most recent previous years
23 during which the existing data center was oper-
24 ational.

25 (b) **REAL PROPERTY OR POSSESSORY INTERESTS.**—

10 (A) any transaction or agreement relating
11 to the acquisition described in that paragraph
12 between—

13 (i) the covered entity; and

14 (ii) any party from which the real
15 property or possessory interest is acquired;

16 (B) any related transaction or agreement
17 between the covered entity and any government
18 entity; and

19 (C) any related transaction or agreement
20 between a party described in subparagraph
21 (A)(ii) and any government entity.

22 (c) AGREEMENTS.—

23 (1) IN GENERAL.—Not later than 90 days after
24 the date of enactment of this Act, the Secretary
25 shall establish a national requirement for—

11 (2) REQUIREMENT.—The disclosure under
12 paragraph (1) shall include—

20 (B) with respect to each subsidy, credit,
21 discount, cost-sharing arrangement, tax benefit,
22 or other incentive described in subparagraph
23 (A)—

24 (i) an estimate of total savings for the
25 covered entity; and

1 (ii) a statement of whether the cov-
2 ered entity is financially affiliated with the
3 applicable utility.