

# **Policy and Cost Allocation Considerations for Large Electric Load Interconnections**

Emerging Policy Trends in Rate  
Structures, Interconnection, and Cost  
Impacts on Other System Users

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## **Abstract**

Load growth in the United States is rapidly increasing: load from data centers alone has tripled over the past decade, and this growth is forecasted to continue accelerating. These and other large electric loads (LELs) promise economic benefits at the state and local level, but their deployment has also led to increasing concerns about grid impacts and potential cost shifts onto other ratepayers. Legislators, regulators, and other stakeholders are increasingly proposing and enacting policies in effort to balance these and other considerations. This white paper reviews state-level legislation, selected utility rate cases, and relevant federal orders in an effort to describe and categorize relevant trends in policies related to LEL cost allocation, interconnection, and deployment. Policy categories identified through this review include tax incentives, rate actions, and requirements related to interconnection, permitting, and reporting. By offering a taxonomy of policies, this white paper aims to offer a resource to policymakers and other stakeholders navigating this transformative moment for the grid.

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## **1.0 Introduction**

Between 2014 and 2024, load growth from data centers alone in the United States tripled. While exact projections of data center deployment remain uncertain, some analysts predict that their total capacity could triple again by 2028, driven by the increasing computational demands of artificial intelligence (AI) (Shehabi et al. 2024). Data centers are a member and largest driver of the category of large electric loads (LELs), which also includes manufacturing facilities, large EV charging stations, and others. Utilities, their regulators, and state legislatures have taken a wide range of actions in response to this explosive growth in order to manage data centers' potential grid and ratepayer impacts (Satchwell et al. 2025).

The conversation about cost allocation and policymaking around data centers in the United States has taken on increased urgency as deployment has grown. In states that have seen particularly high concentration of data centers, regulators and ratepayers have expressed rising concern about the potential for undue cost shifts from LEL customers onto other ratepayers as utilities invest in building out the grid infrastructure needed to accommodate LEL-driven load growth (Kearney 2025; Levy 2025). Many state legislatures, meanwhile, have continued to adopt policies designed to incentivize data center deployment in order to realize their potential economic benefits.

As more state regulators and legislators, alongside other stakeholders, contend with these questions, there is increasing urgency to provide resources to support consistent, effective, and balanced policymaking that enables fair and effective deployment of LELs onto the grid. This white paper offers an analysis of the state policy landscape related to data centers and the grid, with a focus on steps taken to measure and allocate costs related to the interconnection of LELs. The authors conducted a comprehensive review of state-level legislation related to data centers taken to date, alongside some additional review of utility rate cases related to data centers and other LELs. It proposes a taxonomy to categorize these policy actions and summarizes key trends of note. Recent Federal Energy Regulatory Commission (FERC) orders related to interconnection and cost allocation are also summarized in the context of relevant considerations for policymaking on LELs.

## **2.0 A Review of Policy Actions Related to Large Electric Loads**

Policies reviewed for this report include state legislation, selected regulatory rate cases, and a discussion of relevant considerations to cost allocation of LELs from FERC Orders 1920 and 2023.

### **2.1 State Legislation and Executive Orders on Large Electric Loads**

Since there is no centralized open-source database of all state level policy actions available, the team created a comprehensive database of 61 state bills and executive orders related to data centers, with legislation comprising the majority of these. These policy actions were categorized based on policy type, year passed or proposed, and the LEL customers they were implemented to address (e.g. by type of customer or by the capacity of the load). Trends were then identified among the approach, timing, and geographic distribution of the actions taken.

This policy review includes both enacted legislation and bills proposed in the 2025 legislative session, not all of which were ultimately passed into law; bills that were proposed and rejected or that remain under consideration are noted in the figures below. These proposed bills were included in order to offer a snapshot of emerging trends in policymaking as of the time of writing.

Geographically, this review ultimately included policies from 40 different states proposed between 2013 and 2025. The map in Figure 1 below illustrates the number of policies identified by state:

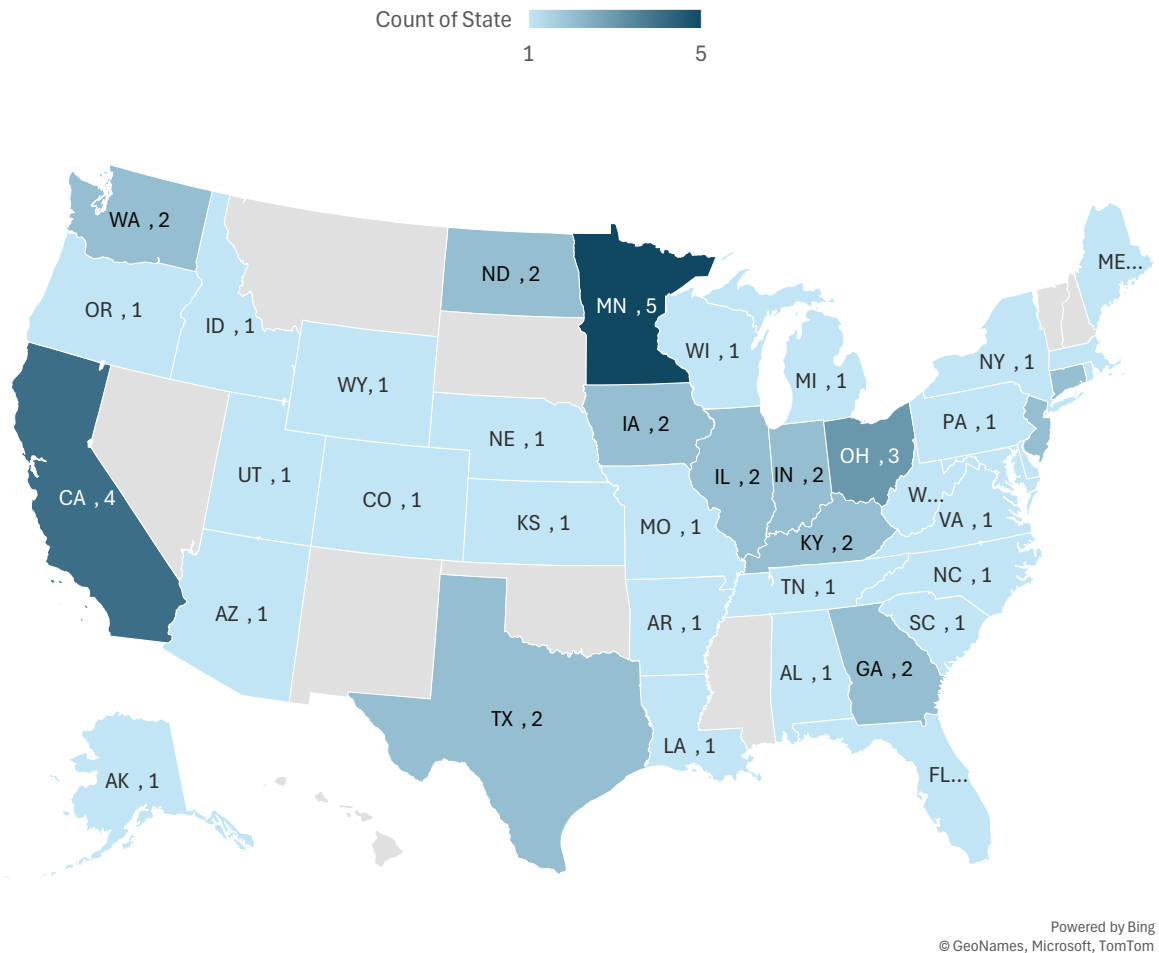


Figure 1: State-level data center enacted policies as of July 2025

This database includes 43 bills and executive orders enacted between 2013 and 2025. It also includes 18 bills that were proposed in seven states during the 2025 legislative session that had either been rejected or remained under active consideration as of the time of writing, but were included to indicate current trends in the national policymaking landscape. Figure 2 shows the timeline of enacted policies, indicating that policymakers are increasingly taking action to regulate LEL-related considerations as load growth continues to increase. 2025's flurry of legislative action further emphasizes this trend, with 20 bills passed relating to data centers or other LELs as of September 2025. These 38 policies come from 21 different states, indicating widespread movements related to data center developments.

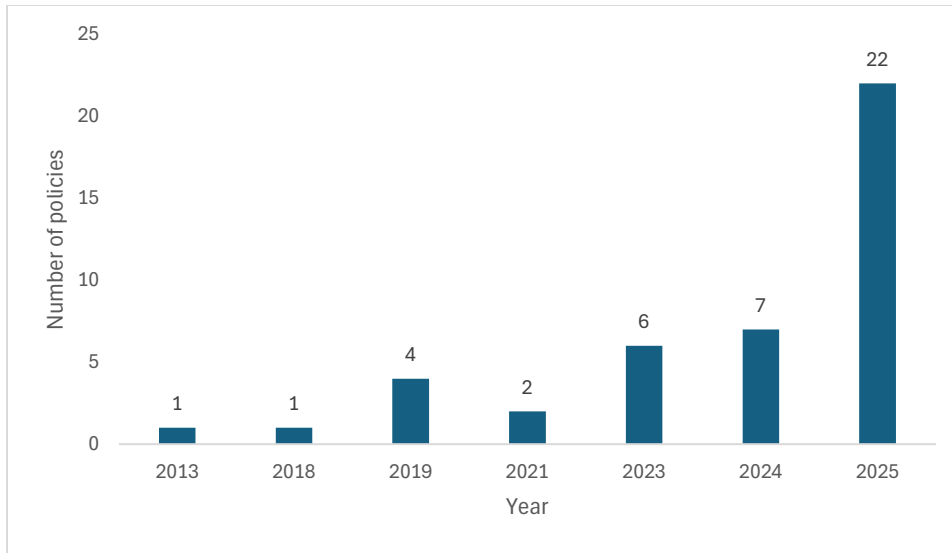


Figure 2: Timeline of state-level enacted data center legislation and executive orders, 2013-2025

## 2.2 Utility Rate Actions on Large Electric Loads

In addition to state-level legislation, many of the policy actions being undertaken to address grid and ratepayer impacts from the increase in LEL deployment are happening via utility rate cases. The authors reviewed selected rate cases relevant to data centers and other LELs as well as existing literature. Ten rate cases from ten states, proposed between 2024 and 2025, were identified as a representative sample of current trends.

In seven of these cases the utility involved filed to implement a new rate class for data centers and other LEL customers. In the other three cases utilities attempt to address the complexities of dealing with LEL customers by implementing penalties for exceeding projected energy needs, keeping coal power plants in operation to meet increased energy demand, and proposing the construction of new power plants.

Utility definitions of “large” loads in these rate cases vary from as low as 25 MW in Virginia to as large as 500 MW in Wisconsin. In most cases reviewed that involve the proposal of new rate classes or tariff structures, the primary justification offered is that the creation of a new class is necessary to protect other customers from paying more than their reasonable share of the added grid costs associated with LEL customers, such as infrastructure investments.

Some dockets include additional provisions in addition to the proposal of these new classes. In Oregon, PacifiCorp filed a rate case in 2024 with an added provision that would penalize LEL customers for exceeding their projected energy needs as a means of protecting other customer classes from overpaying for extra generating capacity required to serve excess load; the case is currently contested (Oregon Public Utility Commission 2025; Skidmore 2024). In other cases, such as Georgia Power’s approved 2025 integrated resource plan, utilities have also filed to maintain power plant operations beyond planned retirements or construct additional generating capacity specifically to meet forecasted data center loads (Walton 2025).

Both data center developers and other customers have expressed criticism of some of these ratemaking proposals, illustrating the challenging balance utilities must strike to accommodate growing loads while determining reasonable allocation of costs. Some developers, for example, have expressed concerns that distinct rate classes or LEL-specific penalties are discriminatory (Skidmore 2024, 2025). Meanwhile, representatives of other customer classes have likewise voiced their own concerns that utility actions to date do not fully account for potential cost shifts (Main 2025; Martin and Peskoe 2025).

## **2.3 Federal Regulatory Context on Large Electric Load Cost Allocation**

Recent FERC orders have also introduced additional guidance on cost allocation with relevance to load growth. These orders apply to federally-regulated regional grid planners—regional transmission operators (RTOs)/independent system operators (ISOs)—which do not generally fall under state regulatory authority.

Issued in May 2024, FERC Order 1920 emphasizes regional transmission planning alongside the implementation of cost-effective transmission facilities such as wires, poles, and other equipment critical for interstate commerce. This order requires transmission providers, including utilities and regional transmission operators (RTOs)/independent system operators (ISOs), to develop 20-year long-term regional transmission plans every five years, containing at least three scenarios that address seven transmission benefits. The regulatory framework aligns with FERC’s overarching “beneficiaries pay” principle, mandating that upgrade costs be allocated to benefitting ratepayers in proportion to the benefits they receive.

State regulators hold a critical role in this cost allocation process, as they must negotiate and finalize methodologies with transmission providers for compliance filings. Additionally, transmission providers must conduct a six-month engagement period with state entities to discuss and finalize cost allocation methodologies. These methods may include agreements on utility regulation or siting, incorporation of grid-enhancing technologies, addressing interconnection needs, and considering voluntary alternative cost-allocation methodologies. For example, PJM, an RTO, is currently navigating this negotiation and compliance process, as seen in the scheduled updates to compliance filings on FERC’s website.

FERC Order 2023, issued in November 2023, introduced significant reforms to streamline the interconnection of new energy generating facilities. These reforms are centered around three major requirements: the implementation of a “first-ready, first-served” cluster study process to improve the efficiency of interconnection requests, stricter rules to accelerate queue processing timelines, and the advancement of alternative transmission technologies. The cluster study approach aggregates system impact analyses for multiple projects simultaneously, reducing delays and enhancing cost allocation efficiency. New requirements discourage incomplete projects and replace “reasonable effort” standards with financial penalties for missed study deadlines, imposing challenges on not-for-profit RTOs/ISOs that lack shareholder backing. Furthermore, technological improvements allow multiple generating facilities to share a single interconnection site and encourage the evaluation of innovative transmission technologies. These reforms aim to prioritize commercially viable generation projects and reduce speculative proposals, ultimately addressing the long-standing backlog of interconnection requests. FERC anticipates these changes will foster a more streamlined interconnection process.

### 3.0 Categorizing Policy Categories Related to Large Electric Loads

The authors have organized state policies, including legislation, executive orders, and regulatory actions, into seven categories shown in Figure 3. The “other” category consists of broader actions of adding definitions, forming working groups, conducting impact studies of operating data centers, and regulations related to limit the resource consumption etc. Figure 3 below illustrates a distribution of these categories, both for passed and proposed legislation.

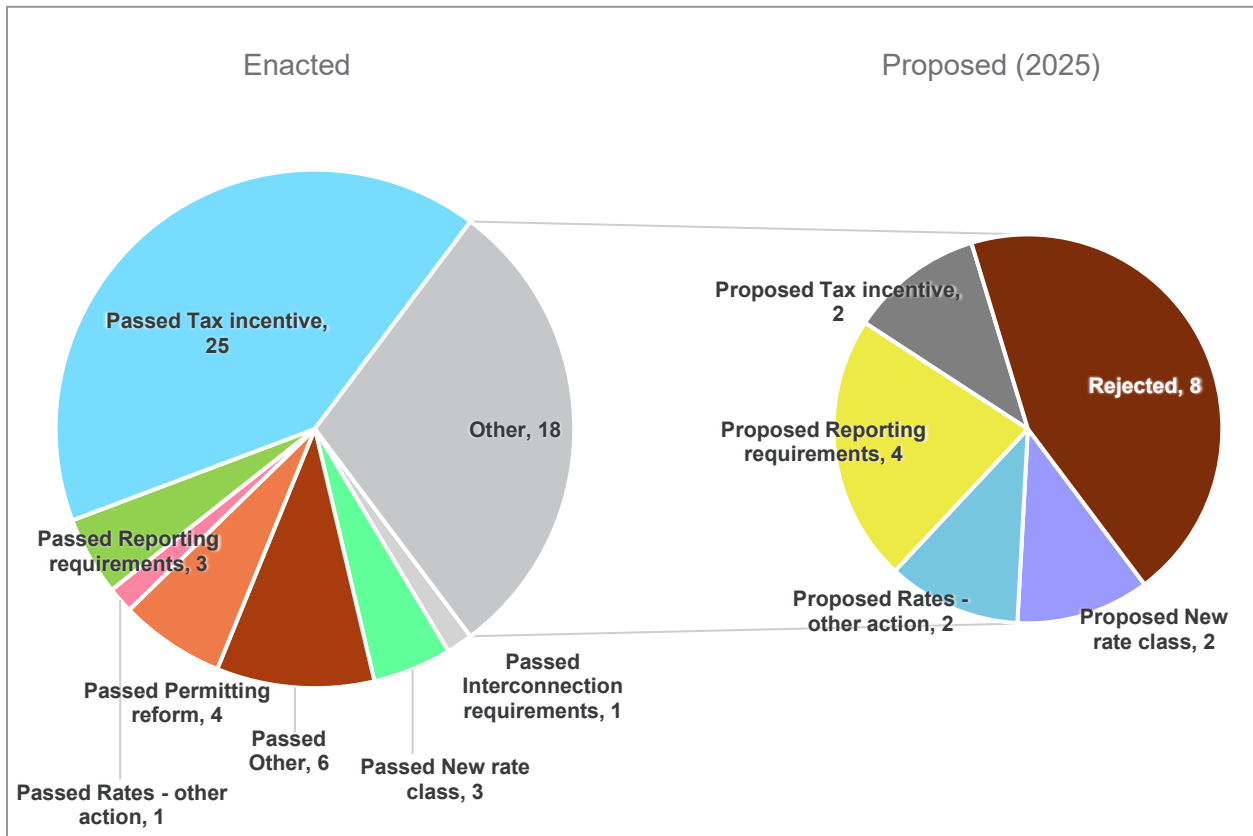


Figure 3: State Data Center Legislation, Passed and Proposed (July 2025)

More than half of the enacted legislation identified in this review are tax incentives intended to encourage the construction of data centers in a given state. However, as the market evolves, policy actions are becoming more diverse as considerations around accommodating load growth have evolved.

In particular, bills proposed in the 2025 session represent a more diverse set of policy proposals when compared to legislation enacted in years prior. These bills include energy and water usage reporting, siting, regulatory actions, and ratemaking requirements. Each of these policy categories are described below. Some policies that address multiple categories may be mentioned in more than one section below; each of these was categorized in Figure 3 and other visualizations by the category that was determined to be their primary focus.

### **3.1 Tax incentives**

Tax incentives are the most common policy category identified in this review. The earliest data center-specific law identified was Arizona's House Bill (HB) 2009, passed in 2013. The 2025 legislative session included 11 proposed additional tax incentive packages in as many states, nine of which were passed into law as of September 2025. Sales and use tax exemptions on various data center equipment is noticed to be the most common, and are commonly paired with conditions of minimum investment and/or the size of the data centers in terms of its total potential electricity demand in Megawatts. However, some states go beyond these equipment tax waivers, such as Montana and Iowa.

In 2018, Montana gave sales and use tax exemptions on all electrical energy, gas, water, other utilities, machinery, equipment, computers, sales at retail of tangible personal property and material for constructing a new data center. Iowa's bill gave property tax exemption to a data center business with a condition that developers invest a minimum of \$200,000,000 into the state within the first six years of operation.

Some states have supplemented tax incentive policies with additional metrics and/or reporting requirements. Washington, for example, passed a tax incentive for data centers in 2010, with stipulations that qualifying facilities must be located in rural parts of the state and must meet requirements for creating jobs with wages above the area's median income. In subsequent years, additional legislation extended the incentive, reduced some previous requirements for job creation, and expanded the incentive to additional parts of the state. In 2025, driven by concerns about inadequate reporting on whether developers who received tax incentives had met employment metrics and other requirements, the legislature adopted Senate Bill (SB) 5431, which establishes transparency requirements that include reports about job creation within six years of receiving the tax incentive. Other states such as Illinois and Nevada receive site specific metrics from data centers every two years as a means of tracking metrics for their own tax incentives (Ramadan and Brownstone 2024).

### **3.2 Rate classes**

States have proposed several data center-specific rate classes and other actions, with a stated intent to streamline cost recovery from commercial data centers and to provide safeguards to other ratepayers. Four states – Oregon, Virginia, Minnesota, and Maryland – have adopted legislation addressing utility rates for LELs, including data centers. Notably, all three bills were enacted in 2025. Our study did not find examples of enacted legislation establishing a new rate class for large loads prior to 2025.

In 2025, Oregon passed the POWER Act, which directs the state Public Utility Commission (PUC) to create a new rate class for LEL customers to directly assign the costs of serving a large retail load to that customer, and to mitigate the risk of shifting unwarranted costs to other customer classes. Minnesota's House File (HF) 16, which included a wide range of provisions related to data center interconnection and deployment, likewise directs its state PUC to create a rate class for "very large customers," and requires that any new tariff structure is designed to protect residential and other ratepayers from bearing costs associated with any stranded costs associated with utility service to those customers. Similarly, Maryland's SB 937 and Virginia's HB 2084 direct their major investor-owned utility (IOU) to establish a specific rate schedule for large loads that requires customers to "cover just and reasonable costs."

Four additional states proposed legislation in 2025 that would establish new rate classes for certain LEL customers. Of those, an alternative rate class proposal in Minnesota and another bill in Delaware did not pass in the 2025 session, while two bills in California and New Jersey are under active consideration as of the time of writing.

Distinct rate classes for large loads have also been proposed and adopted via the more typical avenue of regulatory actions by state PUCs. A review of rate cases and related resources, including the Smart Electric Power Alliance (SEPA)'s Database of Emerging Large-Load Tariffs (DELTA), have indicated that utilities in 25 states have proposed or enacted tariffs focused on LEL or data center customers (SEPA 2025).

### **3.3 Other rate actions**

Whereas some states are directly creating new rate classes to recover costs from data centers and LEL customers, other states have taken different approaches to establish cost allocation methodologies between LELs and other ratepayers. The only state to pass a policy in this category is Ohio, although additional bills in this category were proposed in other states in 2025.

Ohio adopted HB15 in May 2025, which allows utilities to increase certain components of electricity rates without specific PUC review. Along with HB 15, Ohio also proposed SB 2, that codifies the right of electric utilities to provide behind the meter (BTM) generation, subject to proposed safeguards to ensure costs are not passed on to customers not receiving the service. As of the time of writing, SB 2 was under consideration and had not been adopted. Other proposed ratemaking-related legislation in 2025 included Georgia and North Carolina's proposed SB34 and HB 1002, respectively, each of which directed PUCs to develop cost allocation methodologies that would limit the shifts of LEL-driven costs to other ratepayers. Neither of these bills passed.

### **3.4 Interconnection requirements**

The most comprehensive bill that directly addresses interconnection requirements is Texas's pioneering SB6, which includes an expansive range of requirements governing the interconnection of LELs and was passed into law in 2025. Among other stipulations, SB6 directs the PUC to create interconnection standards for large loads with a total load of 75 MW or higher. In efforts to reduce speculation, the bill also establishes a flat interconnection study fee of \$100,000 to be paid to the interconnecting utility for transmission screening studies, and establishes a requirement that any LEL interconnection application explicitly clarify whether the developer is submitting a "substantially similar request for electric service" elsewhere in the state. The bill also notably requires interconnection agreements for all LELs to include conditions for mandatory curtailment, stating that grid supply to LELs above the 75 MW capacity threshold may be ramped down or even shut off during grid emergencies.

Also in 2025, Utah enacted SB 132, which establishes some requirements related to interconnection processes and cost allocation for "large load customers." The legislation requires the Utah Public Service Commission to explore flexible interconnection requirements and alternative cost allocation methodologies for customers submitting a request to interconnect a load of 100 MW or more.

### **3.5 Permitting reforms or requirements**

Bills addressing permitting requirements for LELs have been proposed in five different states as of September 2025. These bills have primarily focused on steps to streamline permitting processes for LELs and associated infrastructure, but also include the establishment of new permitting requirements.

Streamlining efforts include legislation in Maryland, Minnesota, and North Dakota, and an executive order in Idaho. Maryland's SB 474, passed in 2024, aimed to reduce permitting timelines for onsite generators built to serve LELs as a source of backup power by reducing certain state permitting requirements. North Dakota HB 1539 similarly exempted on-site backup electric generation for LELs from the state's energy conversion facility siting process in an effort to accelerate permitting timelines. Idaho's Strategic Permitting, Efficiency, and Economic Development (SPEED) Act (EO 2025-02), established rules intended to more efficiently coordinate state permitting on data centers and other LELs with the stated goals of promoting energy independence, supporting national security goals, and bringing economic benefits to the state. Minnesota also streamlined permitting process through the Minnesota Business First Stop Program (HF 16).

Virginia's HB 1601 updates the code of Virginia that defines LELs, referred to in the legislation as "high energy use facilities (HEUF)," as any facility with a capacity of 100 MW or more. The bill also includes siting requirements for the HEUFs, including a site assessment to examine (i) the sound profile of the HEUF on residential units and schools located within 500 feet of the property boundary, (ii) ground and surface water resources, (iii) agricultural resources, (iv) parks, (v) registered historic sites, and (vi) forestland on the HEUF site or immediately contiguous land.

### **3.6 Reporting requirements**

Policies categorized as reporting requirements primarily establish mandates for energy and water usage reporting to the state. The review identified eight bills from seven different states related to energy and water usage reporting requirements. Texas rolled out an energy usage reporting mandate (SB 1929) for all cryptocurrency mining facilities, specifically, with a total load of 75MW and higher. Colorado's Regulation Number 28 established energy-use benchmarking data reporting and building performance requirements, that include data centers. California passed the Climate Corporate Data Accountability Act (SB 253), which requires large businesses with revenues in excess of \$1 billion to report the greenhouse gases emissions. In addition, New York and New Jersey each proposed bills in the 2025 legislative session that require potential energy usage before the data center construction begins, while Illinois proposed recurring energy and water reporting requirements in their bills. Minnesota's HF 16 also established new water appropriation evaluation procedures for large data centers and directs LELs to submit reports detailing the facility's energy efficiency and conservation efforts. Connecticut also proposed SB1292 in 2025, which would require data center operators to submit quarterly energy and water usage reports, but the bill was not passed.

### **3.7 Other policies**

Finally, some additional policies were identified that fell outside of the categories named. These include legislation establishing definitions related to LELs and the grid, directives to conduct overall impact studies of data centers, and the establishment of working groups.

For instance, the Arkansas Data Centers Act of 2023 (HB 1799) generally defines data centers as valuable drivers of economic growth and tax revenue, and limits the authority of local governments to pass certain restrictions limiting data center siting or construction.

North Dakota, via legislation (HB 1579) and Washington, via executive order (EO 25-05) each directed relevant state agencies to conduct an impact assessment study of data centers' impact on their respective state economies, tax revenue, water and gas usage, and natural resources. Washington's EO also establishes a data center working group made of representatives from various state agencies to conduct the study.

## 4.0 Trends and Case Studies

The increased variety of policy approaches and utility actions motivated by protecting ratepayers from cost shifting is in line with the federal regulatory guidelines established by FERC Order 1920. More recent legislation and utility actions focusing on interconnection requirements, new rate classes, permitting reform, and other approaches showcase an increased level of foresight to meet the 20-year long-term plan requirements mandated by the order. The impacts and trends associated with FERC Order 2023 are more difficult to pinpoint. As this order aims to streamline the interconnection process by discouraging incomplete projects it would be ideal if a comparison could be made between the number of incomplete projects prior to the order and the amount after. Additionally, it is possible that this order's implementation of financial penalties for incomplete projects will be harder to enforce for not-for-profit RTOs and ISOs slowing down their ability to implement these guidelines.

It is difficult to gauge the relationship between policy actions and utility rate actions. This is primarily due to the contextual nature of the environment in which utility rate proposals presented in each given state. In states like Ohio and Indiana new rate classes were proposed by utilities years after the state legislature passed a tax incentive. This could imply that in these states there is greater concern over the potential influx of LEL customers due to the presence of tax incentives, prompting the need to establish a new rate class. Conversely, the proposal for a new rate class in Virginia was put forward in the same year as siting legislation from the state legislature. Other states in which rate cases were examined also had small to nonexistent time gaps between rate actions and policy actions. Determining whether this implies that utilities in these states have learned from states farther in the LEL interconnection process or a lack of relation would require further study.

Shown below in Figure 4 is breakdown of utility actions by approach, geography, and time of enactment or proposal level. From an approach perspective utility action by in large favor the new rate class category, with only three states having other proposed approaches. Geographically all but one of the utility actions examined by our study are on the eastern side of the country, with the one outlier being Oregon. It is worth noting that SEPA's DELT<sub>a</sub>, a more comprehensive database of rate actions, showcases greater geographic variety among the utility actions they have compiled. Further exploration would be needed to determine if this is correlated with the number of data centers in each state or other factors. All but one of the utility actions examined were enacted or proposed in 2025, with the last regulation enacted in 2024.

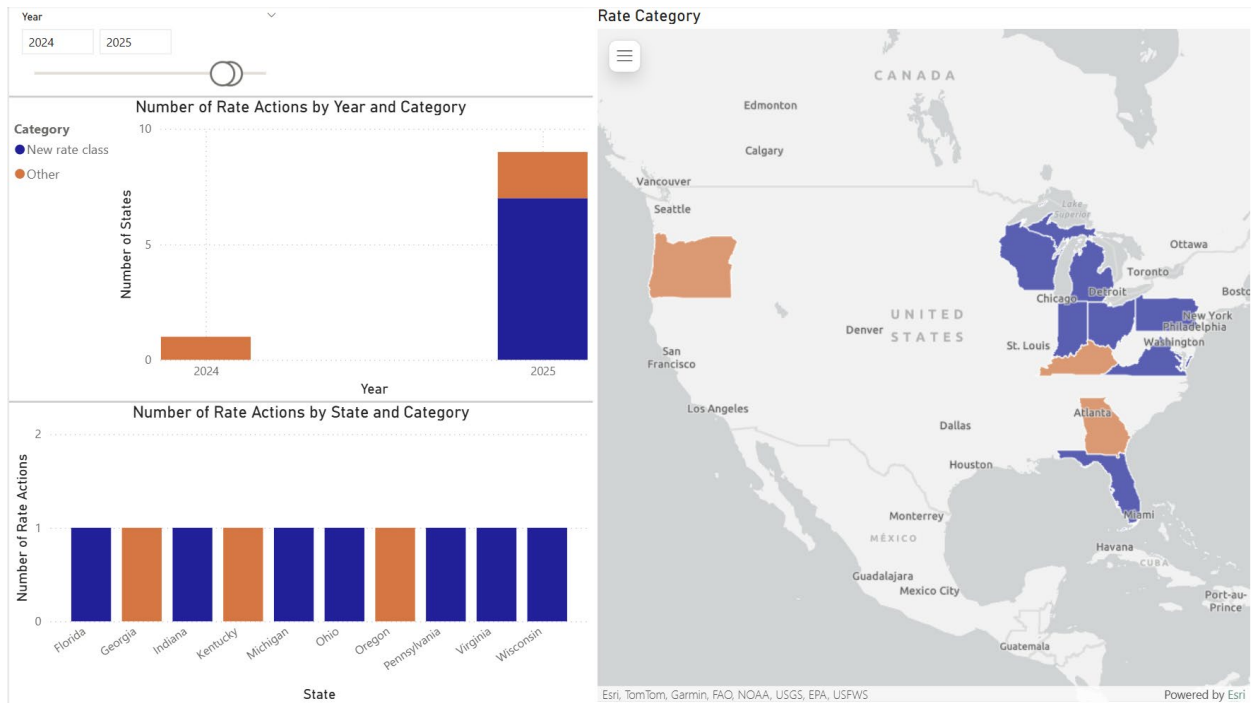


Figure 4. Utility actions examined by year enacted or proposed, approach type, and geographical distribution

Below, in Figure 5, is a breakdown of policy actions for enacted policies by approach, geography, and time of enactment. The most common policy action approach has been incentives which can be seen across geographical and temporal distributions. This is in line with the goal many legislatures have of attracting industries with LEL customers to their state. Most states across the country have implemented some level of policy action with most of them imposing tax incentives. Year-to-year there have been an increasing number of policy actions aimed at LEL interconnection, with 2025 seeing the greatest number of policies enacted. Along with this increase in enacted policies has come an increase in the variety of approaches taken by state legislatures, as 2025 has seen the greatest variety in policy approaches when compared to previous years. This could signal a shift towards prioritizing the planning needed to accommodate the development of LEL infrastructure.

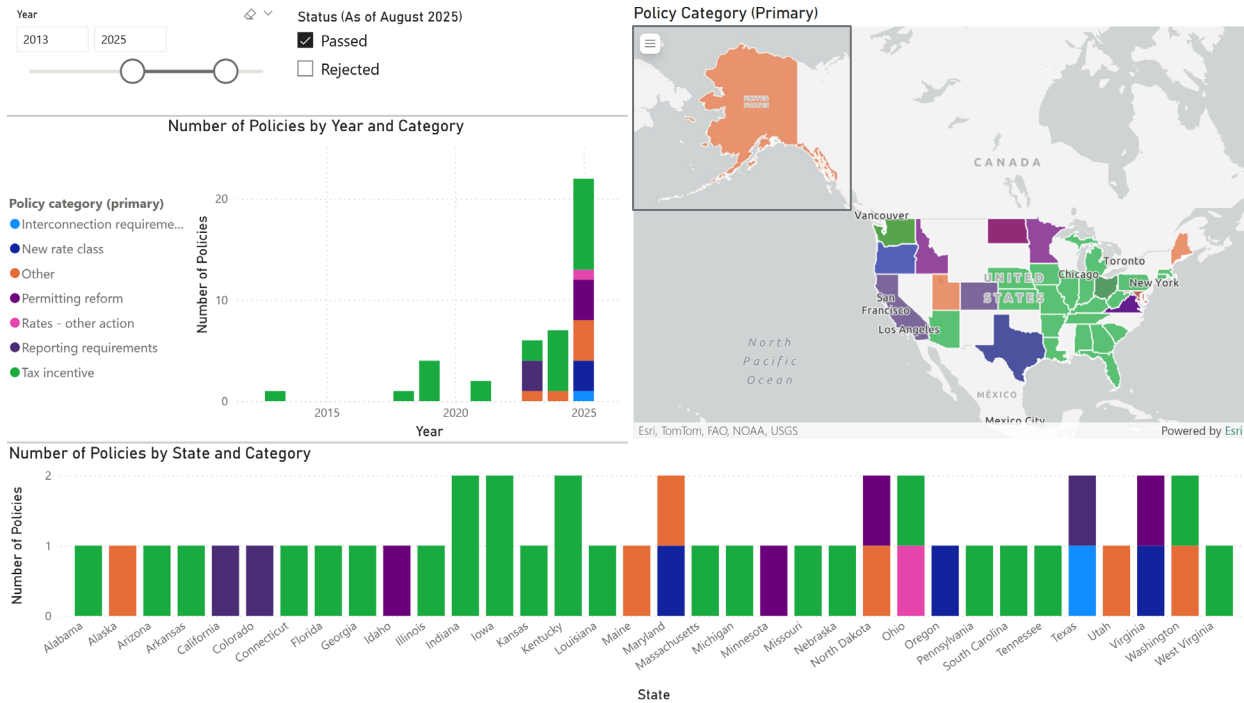


Figure 5. Policy actions examined by year enacted, approach type, and geographical distribution

Many tax incentives for data centers and other LEL customers provide an exemption for sales and use taxes over a period. During this time the LEL customer will often need to meet certain requirements, such as monetary investment in the local community, to be qualified for the exemption. For example, Indiana’s HB 1405 was passed in 2019 and provides a sales and use tax exemption for the purchase of specified data center equipment that is in a qualified to data center. To be considered a qualified data center the purchase of equipment for the data center must result in a minimum qualified investment within five years of \$25,000,000 to more than \$150,000,000 depending on the population of the county in which the data center is based. The qualified data center is also required to apply to the Indiana economic development corporation for a transaction award certificate. Indiana further expanded this tax exemption to projects in quantum computing research, advanced computing, and defense infrastructure with the passage of HB 1601 in 2025. Indiana’s efforts showcase the pathway that many state tax incentives take for LEL customers such as data centers. It also highlights that it is not uncommon for tax incentives to be expanded to increase the variety of LEL customers that qualify, in turn potentially making the state more attractive to more industries.

The recent increase in policy approaches has come at the same time as rising concerns over the impacts that LEL customers could have on the grid and other ratepayers (Martin and Peskoe 2025). Policies like S3694A in New York that would require more detailed reporting on metrics such as expected energy usage have been proposed to help ensure that data centers, the focus of this bill, are not incurring extra costs to other customers. As reporting has been an issue in states such as Washington, it could be expected that more states will attempt to roll out their own more stringent reporting standards.

New rate classes for LEL customers are also common among proposed policies, with the cited goal of protecting other customers from cost shifts that may occur due to the infrastructure development needed to meet data center-driven load growth. Oregon’s POWER Act, passed in

2025, establishes a new rate class for LEL customers of 20 MW or greater. The POWER Act directs the Oregon PUC to create a new rate class for LEL customers to proportionally allocate costs and mitigate the risk of shifting unwarranted classes onto other customer classes. LEL customers are also required to sign a 10-year or greater contract to interconnect. The PUC is required to provide a report on trends in LEL requirements to the legislature every other year. The Oregon state legislature hopes that these measures will mitigate cost shifting and overconsumption from LEL customers looking to develop infrastructure in their jurisdiction. As concerns over these issues continue to rise, other state legislatures could move to establish similar policies or adopt other approaches to address them.

States are also including interconnection and permitting reform policies in legislation. All the bills related to these categories – passed and proposed – were rolled out in 2025, indicating an emerging priority for different states. In North Dakota HB 1539 clarifies North Dakota's siting laws by exempting on-site backup electric generation from the state's energy conversion facility siting process. This removes the requirement for LEL customers to adhere to permitting processes regarding grid interconnection. Under HB 1539 and similar policies, LEL customers could face fewer hold ups in the permitting phases of project development.

## **5.0 Conclusions and Next Steps**

The rapid and increasing growth in LEL-driven electricity demand nationwide have contributed to a corresponding increase in policies proposed to address concerns about these new loads' impacts to the grid and other ratepayers. Since 2013, when the earliest LEL-related policy identified in this review was enacted, there has been a steady increase in policy development, with 20 bills proposed in 2025 alone. As demand for AI further accelerates the growth in energy-intensive data centers, it can be expected that these policymaking trends will likewise continue.

While most of the policies identified in this review were tax incentives intended to attract data center development, recent policy proposals have shown greater variety. This signals a potential shift in how state regulators and legislators are approaching load growth, as many of these recent policy approaches are intended to provide protections against cost shifts to other ratepayers, maintain grid reliability, and improve transparency around new LEL infrastructure.

Geographically, the LEL interconnection policies identified in this review have been enacted in 34 states. Tax incentives were shown to be more common in the eastern portion of the country whereas in the western part of the country there is a greater variety of policy approaches. Variety in policy approaches also appears to increase with the number of data centers deployed, with states that have fewer data centers electing to focus on tax incentives and states with more having adopted other approaches that address emerging impacts from planned and actual LEL deployment.

Power BI was used in this project to demonstrate the usefulness of displaying this policy and rate class database visually. Future research could build on these visualizations, including by leveraging existing resources that map trends in data center deployment (Mongird et al. 2025). Additional causal inference analysis could be carried out to determine whether certain factors or a combination of factors is more likely to result in siting data centers or adopting new legislation and rate classes. Additionally, options exist to explore the results of proactive vs. reactionary rate cases and policies to determine the effects of future siting, understand the sentiments of

ratepayers in varying environments, and study the outcomes of policies and rate classes intended to limit rate increases on other customers.

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