

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: SB 250
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB250CS(CRA)-DCCED-RCA-04-24-26
Title: DATA CENTERS, UTILITIES
Sponsor: TOBIN
Requester: (S) Labor & Commerce

Department: Department of Commerce, Community and
Economic Development
Appropriation: Regulatory Commission of Alaska
Allocation: Regulatory Commission of Alaska
OMB Component Number: 2417

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2027 Appropriation Requested	Included in Governor's FY2027 Request	Out-Year Cost Estimates					
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2026) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2027) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/28

Why this fiscal note differs from previous version/comments:

Adds language to address new subsections (g) and (j)(2) of Bill Section 2 and amends language to address revisions to subsection (l) of Bill Section 2 and subsection (c) of Bill Section 3.

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Division: <u>Regulatory Commission of Alaska</u>	Date: <u>04/24/2026</u>
Approved By: <u>Hannah Lager, Administrative Services Director</u>	Date: <u>04/24/26</u>
Agency: <u>Department of Commerce, Community, and Economic Development</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. CSSB 250(CRA)

Analysis

Senate Bill 250 (SB 250) amends and adds a new section to the *Alaska Public Utilities Regulatory Act*, AS 42.05, to establish requirements for contracts between public electric and gas utilities and data centers and require data centers to enter into community benefit agreements. SB 250 additionally adds a new section to AS 46.03 to address data center decommissioning and recycling. SB 250 defines a data center as a facility used to house computer systems, and associated components, the primary function of which is the storage, management, and dissemination of data. SB 250 exempts data centers that consume less than 15 megawatts of peak power demand from an electric utility and 1,500,000,000 standard cubic feet of gas annually from a gas utility.

SB 250 stipulates that any expenses incurred in providing services to data centers must be recouped solely from those facilities, excluding other ratepayers. Additionally, SB 250 mandates that sales to such facilities be conducted under contracts that are reviewed and approved by the Regulatory Commission of Alaska (RCA). These contracts must ensure that they do not increase the risk of an inadequate fuel supply for any public utility within the state, including utilities not involved in the contract; include a backup power and reliability plan; provide a comprehensive analysis of variable costs associated with supplying services to the data center; and guarantee that supplying service to the data center does not elevate the cost of power adjustment or gas cost adjustment.

SB 250 provides that if provisioning service to a data center will require an electric or gas utility to incur capital investment costs exceeding \$1 million, the contract must require the data center to provide financial security to the utility. The financial security provided for must be acceptable to the utility, remain in effect for a term specified by the utility, and be in an amount that, in the determination of the utility, ensures full recovery of all the utility's costs associated with furnishing service to the data center. Should the data center fail to perform, the utility is permitted to immediately enforce the financial security to recover outstanding costs.

Additionally, the contract must include an accounting of all costs for infrastructure primarily used by the utility to provide service to the data center and must require that those costs are recovered only from the data center. The costs for infrastructure may be recovered by the data center constructing the infrastructure, making contributions in aid of construction, or paying utility rates with construction costs included. If, during the contract period, the infrastructure is used to provide service to customers other than the data center, the utility may petition the RCA for an amendment to the contract.

This legislation requires data centers to enter into community benefit agreements with impacted municipalities prior to RCA approval of the contract with the utility and prior to beginning construction. The community benefit agreement must require the data center to submit a waste heat recovery assessment to the municipality; a water usage plan that quantifies the data center's monthly water usage and wastewater discharge and describes how the data center complies with all applicable water utility requirements; address broadband interconnection costs necessary to serve the data center; and require a digital equity contribution to make digital infrastructure investments in or near the municipality.

Finally, SB 250 requires data centers to file an end-of-life decommissioning and recycling plan with the Department of Environmental Conservation (DEC). The plan may be accepted by the department if it finds that the plan specifies how the entity responsible for the data center will dismantle and remove equipment and infrastructure related to the data center when it is no longer in use; perform secure data destruction, equipment removal, asset recovery, and site restoration; and ensure regulatory compliance and environmental responsibility during decommissioning.

Passage of SB 250 will create new filings before the RCA, including contracts, contract amendments, and reports, and require changes to existing filings, including gas cost adjustments and cost of power adjustments. This would result in a rulemaking proceeding to implement regulations specifying filing and reporting requirements and amending existing regulations for adjustment clauses.

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RCA regulations dockets must be completed within 730 days of the issuance of an order commencing the regulations docket (AS 42.05.175(e) requires the Regulatory Commission of Alaska to complete regulations dockets within 730 days from the initiating order). This legislation does not propose an effective date. Should Senate Bill 250 be passed this legislative session, the RCA would commence a regulations docket shortly thereafter (the estimated completion date for *Associated Regulations* is based on a July 1, 2026, date for an initiating order).

The RCA expects to implement the provisions of this legislation with existing resources.