



2026 South Dakota Legislature

House Bill 1301

Introduced by: **Representative Healy**

1 **An Act to limit costs and risks associated with electricity use by data centers and**
 2 **impose a moratorium.**

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 **Section 1. That a NEW SECTION be added to chapter 49-34A:**

5 Terms used in this Act mean:

6 (1) "Approval authority," for an electric utility that is:

7 (a) A state or rural electric cooperative, the board of directors; or

8 (b) Owned by a municipality or other political subdivision of this state, the
 9 governing body;

10 (2) "Data center," any facility that is used as a centralized repository for the
 11 dissemination, management, processing, and storage of electronic data and
 12 information; and

13 (3) "Large data center," a data center with a peak electricity demand of twenty
 14 megawatts or greater.

15 **Section 2. That a NEW SECTION be added to chapter 49-34A:**

16 When establishing or negotiating a rate or tariff for any data center, an electric
 17 utility shall ensure that:

18 (1) The data center pays the full cost of providing electric service to the data center,
 19 including the cost of any infrastructure upgrade necessitated by the operation of
 20 the data center;

21 (2) The cost of providing electric service to the data center is not paid for by other
 22 retail customers;

23 (3) The costs and risks of infrastructure upgrades are not transferred to other retail
 24 customers during the operation of the data center;

1 (4) Other retail customers are not placed at financial risk for paying stranded costs
2 associated with providing electric service to the data center if it prematurely ceases
3 operating; and

4 (5) The data center bears all costs of decommissioning the data center.

5 **Section 3. That a NEW SECTION be added to chapter 49-34A:**

6 The operator of a large data center shall submit to the electric utility providing
7 electric service to the large data center a proposal to meet some or all of the large data
8 center's load demand through private electric supplier agreements or self-generation, as
9 a means to limit the risk to other retail customers of stranded-asset costs.

10 If a large data center receives electricity from a private electricity supplier or self-
11 generation in addition to an electric utility, the electric utility must interconnect the private
12 electricity supplier or self-generation at the large data center's cost.

13 **Section 4. That a NEW SECTION be added to chapter 49-34A:**

14 The operator of a large data center shall file an annual report with any electric
15 utility providing electric service to the large data center and, if the large data center
16 receives electric service from a public utility, with the commission.

17 The report must be filed on the date and in the form specified by the commission
18 or approval authority, as applicable.

19 The commission or approval authority, as applicable, shall make the report
20 available to the public, excluding information that is confidential pursuant to chapter 1-
21 27.

22 **Section 5. That a NEW SECTION be added to chapter 49-34A:**

23 The report required under section 4 of this Act must contain:

24 (1) The name of the large data center;

25 (2) The name of each developer and owner of the large data center;

26 (3) The physical size of the large data center in square feet;

27 (4) The street address of the large data center and the county in which it is located;

28 (5) The peak electrical demand of the large data center;

29 (6) Information about any private electricity supplier or self-generation available to
30 the large data center pursuant to section 3 of this Act, and the amount of electricity
31 provided by the private electricity supplier or self-generation;

- 1 (7) A list of each customer type and the duration of any customer demand contract for
2 the large data center;
- 3 (8) A description of any transmission and distribution facility addition or enhancement
4 required to serve the large data center;
- 5 (9) A description of each energy efficiency, load management, and conservation
6 measure implemented by the large data center;
- 7 (10) A description of any commitment by the large data center to use renewable energy;
- 8 (11) An estimate of the service life of the large data center;
- 9 (12) A statement identifying each decommissioning resource, activity, and deficiency of
10 the large data center;
- 11 (13) Any policy, term, or schedule of the large data center, which is intended to limit
12 cost and risk impacts on other retail customers;
- 13 (14) Information about whether the large data center engages in any cryptocurrency
14 mining operation and the annual energy usage for the operation; and
- 15 (15) A copy of any required county or municipal zoning or other permit of the large data
16 center.

17 **Section 6. That a NEW SECTION be added to chapter 49-34A:**

18 At least annually, each electric utility shall provide, on the electric utility's website,
19 a report of:

- 20 (1) The statewide load forecast of large data centers serviced by the electric utility;
- 21 (2) A description of existing and proposed electricity generation needed to meet the
22 large data center load forecast;
- 23 (3) An estimate of the cost of any new generation and transmission needed to meet
24 the large data center load forecast; and
- 25 (4) Any applicable stranded-asset cost information, including the total cost recovered
26 from other retail customers.

27 **Section 7. That a NEW SECTION be added to chapter 49-34A:**

28 A large data center shall comply with any decommissioning requirements adopted
29 by the commission or approval authority, as applicable. In addition, the large data center
30 shall:

- 31 (1) Bear all costs of decommissioning the large data center; and
- 32 (2) Within the first year following the commencement of operation of the large data
33 center:

- 1 (a) Submit a decommissioning plan to the electric utility providing electric
2 service to the large data center;
3 (b) Post a security bond or other instrument that secures the costs of
4 decommissioning the large data center; and
5 (c) Provide a copy of the bond or instrument to the electric utility.

6 **Section 8.** Notwithstanding any other provision of law, a moratorium is imposed on any new
7 construction or expansion of a large data center in this state. The moratorium includes the
8 expansion of any data center that is not currently a large data center but, if expanded, would
9 become a large data center. The moratorium is in effect through June 30, 2027.