

Minutes: Senate State Affairs

Wednesday, February 18, 2026 10:00 AM

Roll Call

Present: Sen. Deibert, Sen. Jensen (Kevin), Sen. Karr, Sen. Kolbeck (Steve),
Sen. Larson, Sen. Pischke, Sen. Voight, Sen. Perry, and Sen. Mehlhaff

The meeting was called to order by Senator Mehlhaff

MOTION: TO APPROVE THE MINUTES OF WEDNESDAY, FEBRUARY 11TH

Moved by: Perry
Second by: Deibert
Action: Prevailed by voice vote

SB 127 : limit nuisances caused by data centers.

Presented by: Senator Taffy Howard (Handout(s) HO#1)

Proponents: Carla Schanzenbach, Self
Florence Thompson-Fuller, South Dakota Citizens for Liberty
Erin Taggart, Self
John Kunnari, Self (Handout(s) HO#2)
Joseph White Eyes, Self
Laurie Lippert, Self
Brooke Manca, Dakota Rural Action

Opponents: Michael Lee Bockorny, Economic Development Professionals Association
Steve DelBianco, NetChoice
Samuel J. Nelson, South Dakota Municipal Electric Association
Drew Duncan, Heartland Energy
Nick Phillips, Applied Digital Corporation
Brett Koenecke, South Dakota Bankers Association
Mitch Rave, Greater Sioux Falls Chamber of Commerce
Aaron Scheibe, Clean Grid Alliance
Ryan Budmayr, South Dakota Chamber of Commerce & Industry
Others: Joe Fiala, Gov's Office of Econ Dev

MOTION: AMEND SB 127

127A

On page 1, line 6, of the Introduced bill, delete " including:

- (a) Application, cloud, or web hosting;
- (b) Cloud computing;
- (c) Colocation services;
- (d) Cryptocurrency mining;
- (e) Media streaming support;
- (f) Platform as a service;
- (g) Software as a service; and
- (h) Any other comparable digital service." and insert " which has an anticipated peak electrical demand of ten megawatts or greater"

On page 1, line 19, of the Introduced bill, after "any" insert " residence or"

Moved by: Perry

Second by: Pischke
Action: Prevailed by voice vote

MOTION: DEFER SB 127 TO THE 41ST LEGISLATIVE DAY

Moved by: Kolbeck (Steve)
Second by: Larson
Action: Prevailed by Majority Members Elect (5-3-1-0)

Voting Yes: Deibert, Kolbeck (Steve), Larson, Perry, and Mehlhaff

Voting No: Jensen (Kevin), Karr, and Voight

Excused: Pischke

SB 128 : update provisions related to certain large-use customers of utilities.

Presented by: Senator Taffy Howard (Handout(s) HO#3)

Proponents: Carla Schanzenbach, Self
John Kunnari, Self
Florence Thompson-Fuller, South Dakota Citizens for Liberty
Suzanne Pratt, Self
Laurie Lippert, Self
Brooke Manca, Dakota Rural Action

Opponents: Michael Lee Bockorny, Economic Development Professionals Association
Steve DelBianco, NetChoice (Handout(s) HO#4)
Nick Phillips, Applied Digital Corporation
Brett Koenecke, South Dakota Electric Utility Companies
Ryan Budmayr, South Dakota Chamber of Commerce & Industry
Kyle Peters, Gemini Family Office
Aaron Scheibe, Clean Grid Alliance
Mitch Rave, Greater Sioux Falls Chamber of Commerce
Darla Pollman Rogers, South Dakota Rural Electric Association

Others: Chris Nelson, PUC

MOTION: AMEND SB 128

128B

On page 1, line 4, of the Introduced bill, delete " section 2 of this Act" and insert " § 49-34A-1"

On page 3, line 13, of the Introduced bill, delete " a public" and insert " an electric"

On page 3, line 30, of the Introduced bill, delete "requires electric service with a contracted demand of two thousand kilowatts or more" and insert " has an anticipated peak electrical demand of ten megawatts or greater"

On page 4, line 25, of the Introduced bill, after "utility" insert " that provides electric service"

On page 5, line 18, of the Introduced bill, delete " a new" and insert " a"

On page 5, line 19, of the Introduced bill, after "customer" insert ", or any other new customer requiring electric service with a contracted minimum demand of two megawatts or more"

On page 5, line 19, of the Introduced bill, after "municipality" insert the comma

On page 6, line 2, of the Introduced bill, after "utility" delete " provider"

On page 6, line 11, of the Introduced bill, after "the" insert " electric utility and to either the"

On page 6, line 11, of the Introduced bill, delete " and" and insert ", if"

On page 6, line 11, of the Introduced bill, after "utility" insert " is a public utility, or the approval authority, if the electric utility is not a public utility"

On page 6, line 21, of the Introduced bill, delete " established" and insert " negotiated between a large-use customer and a public utility"

On page 6, line 23, of the Introduced bill, after "interest." insert "

If the electric utility serving the large-use customer is a public utility, the commission may require the large-use customer to reimburse the commission for the retention of experts and any other costs incurred by the commission to process and review contracts, rates, and reports pursuant to this section.

If the electric utility serving the large-use customer is not a public utility, the applicable approval authority may require the large-use customer to pay for costs associated with reviewing contracts, rates, and reports pursuant to this section.

For purposes of this section, "approval authority" means the board of directors of a state or rural electric cooperative or the governing body, if the electric utility is owned by a municipality, political subdivision, or agency of this state."

On page 6, after line 23, of the Introduced bill, insert: "

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

Notwithstanding any other provision of law, an electric utility may not:

(1) Increase any fee, rate, or surcharge imposed on any customer that is not a large-use customer, for the purpose of financing, offsetting, or subsidizing the infrastructure costs, service demands, or utility consumption of a large-use customer; or

(2) Allocate to any customer that is not a large-use customer incremental costs or any other cost associated with the distribution, generation, or transmission infrastructure of a large-use customer."

On page 6, line 25, of the Introduced bill, delete " an electric utility" and insert " a transmission operator"

On page 6, line 26, of the Introduced bill, delete " of the utility" and insert " in the affected service area"

On page 6, line 26, of the Introduced bill, delete " electric" and insert " electricity"

On page 6, line 27, of the Introduced bill, delete " electric utility" and insert " transmission operator"

On page 6, line 27, of the Introduced bill, after "total" insert " electricity"

Moved by: Perry

Second by: Jensen (Kevin)

Action: Prevailed by voice vote

MOTION: DEFER SB 128 TO THE 41ST LEGISLATIVE DAY

Moved by: Kolbeck (Steve)

Second by: Deibert

Action: Prevailed by Majority Members Elect (5-3-1-0)

Voting Yes: Deibert, Kolbeck (Steve), Larson, Perry, and Mehlhaff

Voting No: Jensen (Kevin), Karr, and Voight

Excused: Pischke

SB 135 : protect residents from increased utility costs and utility shortages caused by data centers and clarify authority to regulate data centers.

Presented by: Senator Chris Karr (Handout(s) HO#5)

Proponents: Representative Jon Hansen

Joseph White Eyes, Self

Florence Thompson-Fuller, South Dakota Citizens for Liberty

Melissa McCauley, Dakota Rural Action

Carla Schanzenbach, Self

Janet Jensen, Self

Sara Steever, Self

John Kunnari, Self

Chris David, Self

Suzanne Pratt, Self

Erin Taggart, Self

Dennis Assman, Self

Laurie Lippert, Self

Opponents: Michael Lee Bockorny, Economic Development Professionals Association

Nick Phillips, Applied Digital Corporation

Brett Koenecke, South Dakota Electric Utility Companies

Ryan Budmayr, South Dakota Chamber of Commerce & Industry

Mitch Rave, Greater Sioux Falls Chamber of Commerce

William M. Van Camp, South Dakota Retailers Association

Kyle Peters, Gemini Family Office

Aaron Scheibe, Clean Grid Alliance

Steve DelBianco, NetChoice

Others: Chris Nelson, PUC

MOTION: DO PASS SB 135

Moved by: Jensen (Kevin)

Second by: Pischke

Action: Prevailed by Majority Members Elect (5-4-0-0)

Voting Yes: Jensen (Kevin), Karr, Pischke, Voight, and Perry

Voting No: Deibert, Kolbeck (Steve), Larson, and Mehlhaff

SB 232 : impose a one-year moratorium on the construction or expansion of hyperscale data centers.

THE CHAIR DEFERRED SB 232 UNTIL 3PM THIS AFTERNOON OR 15 MINUTES AFTER SENATE ADJOURNS

MOTION: ADJOURN

Moved by: Perry

Second by: Pischke

Action: Prevailed by voice vote

Doug Mortenson, Committee Secretary

/s/ JIM MEHLHAFF
Jim Mehlhaff, Chair