

SB270 ENROLLED



1 SB270
2 YMZ7MN2-2
3 By Senator Bell
4 RFD: Fiscal Responsibility and Economic Development
5 First Read: 05-Feb-26



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1 Enrolled, An Act,

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4 Relating to utilities; to add Section 37-4-22.1 to the
5 Code of Alabama 1975; to provide specific considerations for
6 the Public Service Commission's review and approval of retail
7 electric service contracts between a utility and a large load
8 data center customer, including determining that such
9 contracts provide for the recovery of incremental costs and
10 promote other positive benefits.

11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

12 Section 1. Section 37-4-22.1 is added to the Code of
13 Alabama 1975, to read as follows:

14 §37-4-22.1

15 (a) For purposes of this section, the following terms
16 have the following meanings:

17 (1) INCREMENTAL COSTS OF RETAIL ELECTRIC SERVICE. The
18 additional costs associated with the generation, transmission,
19 distribution, sale, or furnishing of electricity to a large
20 load data center customer, including fuel costs and taxes,
21 which the utility would not incur but for the large load data
22 center customer contract.

23 (2) LARGE LOAD DATA CENTER CUSTOMER. A customer of the
24 utility which has executed a contract for retail electric
25 service with the utility which requires the utility to serve
26 an expected total peak demand of 150 megawatts or greater at
27 one or more contiguous parcels of land, meets the definition
28 of a data processing center under Section 40-9B-3, and



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29 operates solely for the purpose of data processing.

30 (3) TERMS AND CONDITIONS. The provisions in a contract
31 for service between a customer and utility which address
32 matters such as minimum term for contract length, upfront
33 payments, security and collateral, and minimum payment.

34 (b) Consistent with the commission's authority under
35 Title 37 generally and Section 37-4-22 specifically, a
36 contract for retail electric service between a utility and a
37 person that qualifies as a large load data center customer is
38 consistent with the public interest where the commission
39 determines that the contract pricing and contract terms and
40 conditions over the contract term are expected to:

41 (1) Provide for the recovery of the incremental costs
42 of retail electric service to the large load data center
43 customer's premises from the large load data center customer;
44 and

45 (2) Promote positive benefits to other retail electric
46 customers of the utility.

47 (c) The determination of whether a contract between a
48 large load data center customer and a utility promotes
49 positive benefits under subdivision (b)(2) includes
50 considerations such as:

51 (1) Whether the pricing and terms and conditions of the
52 contract could lower costs for other customers of the utility;

53 (2) Whether the large load data center customer is
54 expected to increase the efficiency of the utility's power
55 system; and

56 (3) Whether the large load data center customer



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57 promotes or contributes to economic growth in the community
58 where the premises of the large load data center customer is
59 located.

60 Section 2. This act shall become effective on October
61 1, 2026.



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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB270

Senate 12-Mar-26

I hereby certify that the within Act originated in and passed the Senate.

Patrick Harris,
Secretary.

House of Representatives
Amended and passed: 08-Apr-26

Senate concurred in House amendment 08-Apr-26

By: Senator Bell