

S.205

Introduced by Senators White, Bongartz, Hardy, Major and Vyhovsky

Referred to Committee on

Date:

Subject: Utilities; AI data centers; moratorium; study

Statement of purpose of bill as introduced: This bill proposes to impose a temporary moratorium on the siting and construction of AI data centers in Vermont for the purpose of allowing time for the Public Utility Commission to study the impact such centers would have in Vermont and make recommendations to the General Assembly for a regulatory regime that would best serve the general good of the State.

An act relating to a temporary moratorium on AI data centers and a report on the construction and operation of AI data centers in Vermont

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. AI DATA CENTER MORATORIUM AND REPORT

(a) Moratorium. To protect the public safety and welfare and safeguard the rights of ratepayers in Vermont, no person shall be permitted to operate an artificial intelligence (AI) data center or to in any way begin site preparation for or commence construction of an AI data center in this State prior to July 1, 2030. The purpose of this temporary moratorium is to allow time for the

1 appropriate regulatory entities to study and develop a regulatory regime
2 applicable to AI data centers in Vermont that best serves the general good.

3 (b) Definitions. As used in this section:

4 (1) “AI data center” means a facility that requires greater than 100
5 megawatts of new load dedicated to AI inference, training, simulation, or
6 synthetic data generation.

7 (2) “Person” has the same meaning as in 1 V.S.A. § 128.

8 (3) “Ratepayer” means a member of any electric ratepayer class in
9 Vermont, but not including an AI data center.

10 (c) Investigation and report.

11 (1) The Public Utility Commission, with input from the Department of
12 Public Service and all other interested parties, shall open an investigation into
13 the construction and operation of AI data centers in Vermont. The purpose of
14 the investigation is for the Commission to develop findings and
15 recommendations related to the impact AI data center deployment would have
16 in this State and the regulatory regime that would best serve the general good
17 of the State.

18 (2) On or before January 15, 2027, the Commission shall report the
19 findings and recommendations developed pursuant to this section to the House
20 Committees on Energy and Digital Infrastructure and on Environment and the
21 Senate Committees on Finance and on Natural Resources and Energy.

1 (d) Considerations. In developing the report required by this section, the
2 Public Utility Commission shall consider:

3 (1) the increased energy load required to power an AI data center;

4 (2) water consumption necessary to support the cooling of computing
5 equipment in an AI data center;

6 (3) the environmental impacts of an AI data center with respect to water
7 quality and availability, air quality, local ecosystems, noise emissions, and the
8 availability of surrounding land for other purposes, including farming,
9 conservation, recreation, and housing;

10 (4) strategies for maintaining the reliability and security of the power
11 grid;

12 (5) strategies for promoting energy efficiency and renewable energy
13 initiatives consistent with Vermont's climate goals;

14 (6) a cost-allocation model that would hold all other electric ratepayers
15 harmless from the increased energy demand necessary to operate an AI data
16 center, including any associated costs for local, State, or regional grid
17 upgrades;

18 (7) the impact, both positive and negative, an AI data center would have
19 on the Vermont economy, particularly regarding workforce opportunities, local
20 businesses, and economic growth, generally;

1 (8) environmental justice initiatives, particularly regarding the location
2 of an AI data center;

3 (9) local and State permitting requirements that would minimize any
4 adverse effects of the construction and operation of AI data centers in
5 Vermont; and

6 (10) any other matters deemed relevant by the Public Utility
7 Commission.

8 Sec. 2. EFFECTIVE DATE

9 This act shall take effect on passage.