Section by Section Summary of the Power for the People Act of 2026

Office of Rep. Paul Tonko (NY-20)

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Sec 1: Short Title
Designates the bill as the Power for the People Act of 2026.

Sec. 2: Findings
Outlines the impact that data centers are having on energy affordability and grid reliability, why it is so important that data centers be held accountable for the impacts they are causing, and the existing authority for grid operators to take action to prevent skyrocketing bills and blackouts because of energy intensive data centers.

Sec. 3: Definitions
Defines key terms used throughout the bill including data center and data center load queue.

Sec 4: Data Center Load Queues
Directs the Federal Energy Regulatory Commission (FERC) to issue a rule requiring electric grid operators to create a "data center load queue" system that would prioritize electric grid interconnection for data centers that offset their electricity demand on the electric grid. Priority will be given to data centers that bring their own low and no-carbon energy generation resources, those that utilize battery storage instead of diesel generators, and those that use locally prevailing wage and apprenticeship programs.

Grid operators must ensure that data center interconnection requests do not interfere with interconnection of organic load growth which is defined as all energy users except data centers and crypto mining. The prioritization process is not a fast track for data centers that would allow them to connect to the grid ahead of other users; this backstop ensures other new grid users are not impacted by new data centers. When considering data center load queues, grid operators can delay or deny new data center load interconnection if interconnection would cause grid reliability issues or if it would cause energy affordability issues.

Sec. 5: Local Transmission Cost Allocation
Directs FERC to issue a rule that ensures that data centers are paying for the local transmission upgrades they are requiring which have been the cause of high electricity costs on ratepayers.

Sec. 6: Data Center-Specific Rate Classes
Amends section 111(d) of the Public Utility Regulatory Policies Act (PURPA), directing each state regulatory authority and each nonregulated electric utility to consider implementing a data center-specific rate class and make a standard determination within two years. If a state or nonregulated utility already has enacted a data center rate class, they are exempt from this directive. States and nonregulated utilities that do not already have a data center-specific rate class should also consider including in their rate class

other requirements to protect consumers. Such protections may include minimum demand charges that require data centers to agree to pay for a set amount of energy demand each month, even if their usage drops, the extension of minimum utility contract lengths for data center customers to ensure that data center load does not leave utilities and ratepayers with stranded costs, along with requirements that the State chooses.

Sec. 7: Creation of Appropriate Rate Classes
Authorizes DOE to provide grants and technical assistance to State regulatory authorities to assist in the creation of appropriate data center rate classes. Assistance will ensure that data center-specific rate classes succeed in assigning costs to data centers in a fair and efficient way.

Sec. 8: Load and Interconnection Forecasting
Directs DOE to improve load forecasting efforts by providing technical assistance to grid operators to improve forecasting of data center related load growth and establishes transparency and disclosure requirements for data center load interconnection requests.