

HOUSE BILL No. 1245

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-1-8.5-13.5.

Synopsis: IURC study of data centers. Requires the Indiana utility regulatory commission (IURC) to conduct a study to evaluate the effect of new and additional electricity demand from data centers and large load customers on: (1) the costs incurred by energy utilities to meet that demand; and (2) retail electric rates for all customer classes of energy utilities. Sets forth specific topics that the IURC must evaluate as part of the study. Requires the IURC to include in its 2026 annual report the commission's findings with respect to the topics evaluated in the study.

Effective: Upon passage.

Shackleford

January 5, 2026, read first time and referred to Committee on Utilities, Energy and Telecommunications.



Introduced

Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

HOUSE BILL No. 1245

A BILL FOR AN ACT to amend the Indiana Code concerning utilities.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 8-1-8.5-13.5 IS ADDED TO THE INDIANA
2 CODE AS A NEW SECTION TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: Sec. 13.5. (a) As used in this
4 section, "data center" has the meaning set forth in IC 8-1-45-3.

5 (b) As used in this section, "energy utility" means:

6 (1) an electric utility listed in 170 IAC 4-7-2(a) and any
7 successor in interest to that utility; or
8 (2) a corporation organized under IC 8-1-13.

9 (c) As used in this section, "large load customer" means a new
10 or existing customer of an energy utility, or not more than four (4)
11 multiple new or existing customers of an energy utility, that
12 requests new or additional electricity demand that in the aggregate
13 exceeds the lesser of:

14 (1) five percent (5%) of the energy utility's average peak
15 demand over the most recent three (3) calendar years; or
16 (2) one hundred fifty (150) megawatts.

17 The term includes a data center that meets the demand threshold



1 set forth in this subsection.

2 (d) The commission shall conduct a study to evaluate the effect
3 of new and additional electricity demand from data centers and
4 large load customers on:

5 (1) the costs incurred by energy utilities to meet that demand;

6 and

7 (2) retail electric rates for all customer classes of energy
8 utilities.

9 (e) In conducting the study, the commission shall evaluate the
10 following:

11 (1) Anticipated costs associated with the deployment of new
12 transmission and distribution infrastructure needed to serve
13 data centers and large load customers, considering existing
14 and planned transmission infrastructure and projected
15 demand growth.

16 (2) Potential costs associated with stranded assets that are
17 constructed or installed for data centers or large load
18 customers that:

19 (A) fail to commence commercial operation;

20 (B) fail to take electric service in the amounts and within
21 the time frames anticipated;

22 (C) discontinue electric service provided by an energy
23 utility; or

24 (D) cease commercial operation;

25 including the impact of those costs on an energy utility's
26 existing and future customers.

27 (3) The potential for investments made by energy utilities to
28 meet new and additional electricity demand from data centers
29 and large load customers to result in cross-class subsidies that
30 increase retail electric rates for residential customers and
31 other commercial or industrial customers.

32 (4) The potential for:

33 (A) more efficient uses of existing electric infrastructure,
34 such as the use of:

35 (i) advanced transmission technologies; or

36 (ii) surplus interconnection service; and

37 (B) the sharing of fixed energy costs across a larger overall
38 demand;

39 to lower costs for all customers of energy utilities.

40 (5) Any other data, forecasts, or information that the
41 commission determines will assist policymakers, energy
42 utilities, customers, and other stakeholders in understanding



the effect of new and additional electricity demand from data centers and large load customers on:

- (A) the costs incurred by energy utilities; and
- (B) electric rates for customers.

(f) In conducting the study required by this section, the commission may consult with or invite comments from:

(1) electric utilities;

(2) the office of utility consumer counselor;

(3) associations or organizations representing utility ratepayers;

(4) regional transmission

(5) state and local economic develop

**organizations; and
(6) other stakeholders.**

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(g) The commission shall include in the annual report that the

(g) The commission shall include in the annual report that the commission is required to submit under IC 8-1-1-14 before October 1, 2026, a report that includes the commission's findings with respect to the topics outlined in subsection (e).

SECTION 2. An emergency is declared for this act.

