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DEPARTMENT OF STATE

State of New York

Executive Chamber

No. 62

EXECUTIVE ORDER

ESTABLISHING A TEMPORARY MORATORIUM ON DATA CENTERS IN NEW YORK WHILE THE STATE DEVELOPS HIGHER STANDARDS FOR DATA CENTER DEVELOPMENT AND BENEFITS BLUEPRINT TO SUPPORT LOCALITIES

WHEREAS, New York State (the State) is experiencing unprecedented growth in demand for data center development, driven by the need for computing infrastructure that supports artificial intelligence (AI), cloud computing, streaming services, and other computing operations; and

WHEREAS, the increasing demand for data storage and processing capacities, especially for intensive computational tasks, has led to multiple proposals for the construction and operation of data centers that require large amounts of energy and water to run and cool thousands of computer servers; and

WHEREAS, as of May 2026, nearly 12 gigawatts (12,000 megawatts) of data center load requests are in the New York Independent System Operator interconnection queue with more than eight gigawatts entering the queue in 2025 alone, representing accelerating demand growth and a need for action; and

WHEREAS, Energize NY Development, announced in the 2026 State of the State, directs the Public Service Commission to modernize how large energy consumers, including data centers, connect to the grid, while ensuring those consumers pay their fair share or supply their own power; and

WHEREAS, it is the policy of New York State that the cost of electric system upgrades required to provide electric utility service to large loads should not be paid for by every-day New Yorkers; and

WHEREAS, the growth of Statewide electric load caused by data centers challenges the clean energy targets of the State and will require the procurement of additional energy supply to serve this incremental electric load; and

WHEREAS, data center development can be unpredictable and creates potential risk for utilities and ratepayers, including when infrastructure investments are made in anticipation of loads that may not fully materialize; and

WHEREAS, the State is dedicated to environmental quality, sound public health and safety, economic prosperity, and social well-being; and

WHEREAS, New Yorkers have expressed legitimate concerns regarding the potential impacts of the siting and operation of data centers on energy use, water use, water quality, air quality, noise, lighting, quality of life, and other potential environmental impacts; and

WHEREAS, the State's existing regulatory frameworks are not yet prepared to address the large-scale water use and treatment from data centers which could strain aquifers, surface waters, and public infrastructure; and

WHEREAS, as competition for clean freshwater resources increases due to threats to water quality and changing precipitation and drought patterns from climate change, the need to maximize water reuse and implement the best available technologies to conserve water resources becomes increasingly important, especially within sectors of high-water-demand such as data centers; and

WHEREAS, without regulations, policies, or guidance that enable safe, efficient, and economically viable water use and reuse, the State risks exacerbating water scarcity conditions in high-demand areas, constraining industrial growth, and undermining long-term climate resilience; and

WHEREAS, localities across New York are increasingly contending with the costs and benefits of serving as host communities for data centers, and hosting a data center presents unique opportunities for the host community to encourage and secure private sector investment from the developer or operator that delivers meaningful local benefits; and

WHEREAS, while the negotiation of local benefits with data center developers or operators is the responsibility of the locality, the State can offer valuable technical resources and provide best practices to support the negotiation of meaningful local commitments from the developer or operator;

NOW, THEREFORE I, Kathy Hochul, Governor of the State of New York, by virtue of the authority vested in me by the Constitution and Laws of the State of New York, do hereby order as follows:

1. Data Center Permitting Moratorium and Generic Environmental Impact Statement (GEIS)

The Department of Public Service (DPS) is directed to examine the impacts associated with the interconnection of data centers to the electric distribution network through its proceeding under Case 26-E-0045, Proceeding on Motion of the Commission to Address Interconnection Reforms for Large Loads. In connection with such proceeding, DPS is further directed to initiate a formal public process, including public comment and a public hearing, to create a Generic Environmental Impact Statement in accordance with the requirements of the State Environmental Quality Review Act at Article 8 of the Environmental Conservation Law and the regulations promulgated thereunder (collectively, SEQRA), to assess the potential environmental impacts of the construction and operation of data centers in the State, including energy demand, water use and quality, air quality, disproportionate impacts on disadvantaged communities, and noise levels. DPS shall submit a report of such Final Generic Environmental Impact Statement and findings statement. DPS shall consult with the Department of Environmental Conservation and other relevant state agencies and authorities.

Until DPS submits its report of the final Generic Environmental Impact Statement and associated findings statement, the Department of Environmental Conservation (DEC), consistent with its obligations under SEQRA, is directed to hold in abeyance all applications for any discretionary permit, approval, license, or similar form of permission for the construction or expansion of a data center that (1) are or may hereafter be pending before DEC and (2) have not been determined to be complete by DEC before the date of this Executive Order. As a condition precedent to a determination of completeness for an application for a discretionary permit, approval, license, or similar form of permission, DEC may require the applicant to identify and describe in writing whether such application relates to or involves the construction or operation of a data center. This provision does not apply to permits, approvals, licenses, or similar forms of permission from local governments. DEC shall assist DPS in the preparation of the Generic Environmental Impact Statement referenced above.

2. Developing a Community Investment Framework

To assist localities across New York in analyzing and attaining local economic benefits and mitigating potential negative effects of serving as a host community for a data center, Empire State Development (ESD) is directed, within 60 days of this Executive Order, to consider feedback on and create and post on its website a Community Investment Framework.

ESD shall include in such Community Investment Framework, guidance associated with:

- a. Creation and maintenance of a community investment fund into which data center developers or operators provide capital that can be used for energy affordability efforts and enhancements to public services such as child care, K-12 programming, or public infrastructure.
- b. Investments in local infrastructure such as local energy distribution systems, broadband or irrigation systems or wastewater treatment plants
- c. Establishment of frameworks that provide organized labor a seat at the table and prioritize prevailing wage standards and project labor agreements for data center construction, local hiring, apprenticeships and workforce development to maximize economic benefits.
- d. Transparency through reporting requirements or other means so that communities understand many of the key economic metrics associated with data center development.

Localities and other governmental entities, including but not limited to Industrial Development Agencies, may use the Community Investment Framework to negotiate terms and conditions with the developer or operator of such data center, to help the host community explore ways it can directly benefit from such project through established partnerships, direct investments in the community, and any other appropriate terms.

3. The New York Grid Acceleration Fund

DPS is also directed to consider the development of a mechanism to protect all customers from the risk of significant costs and risks of stranded assets, including consideration of a New York Grid Acceleration Fund, and may consider such as part of the Energize NY Proceeding. The Fund may require data centers to make upfront capital contributions to finance grid improvements, participate in demand response programs, support the procurement of new clean energy supply including distributed energy resources, and establish an insurance pool to which developers may need to contribute. This Fund would help ensure that New York's grid is modernized to maintain reliability while also ensuring the costs of integrating and serving these new loads are not borne by other ratepayers. The Fund could also explore options to support energy affordability.

DPS shall consider assessing how data center contributions to the Fund may be structured, including contribution levels and how funds may be allocated. Additionally, the department shall consider developing a process to work with utilities and other stakeholders to identify necessary infrastructure improvements across the grid. A component of the Fund may include measures to protect ratepayers from project delays, changes in scope, or cancellations that could result in stranded assets. As part of this effort, DPS may evaluate approaches to require data centers to fund new clean electric generation and/or battery storage dedicated to their operations, consistent with the State's clean energy goals, including customer-sited distributed energy resources, to the greatest extent feasible.

4. Interconnection, Reliability, and Cost Allocation

DPS is directed within sixty days to form a Data Center Interconnection Working Group to identify and resolve issues related to the interconnection of data centers, and other large loads, in order to support efficient interconnection of large new customers and the faithful compliance of "beneficiary pays" principles as related to network upgrade and resource adequacy costs.

DPS is directed to convene the State's transmission owners to review their practices and methodologies for studying the system impacts of data centers, and other large loads in order to understand their sufficiency for the purpose of estimating and managing cost impacts, both as they relate to network upgrades and to supply. DPS is directed to report to the Commission within ninety days.

Data centers may also be subject to service classifications and requirements pertaining to data centers to be developed by DPS and as may be established by the Public Service Commission in the exercise of its discretion.

5. Data Center Water Withdrawal Review and Report

DEC shall assess whether any new or amended regulations, policies, reporting, or guidance is necessary or appropriate to help ensure its water withdrawal program requirements, pursuant to 6 NYCRR Parts 601 and 602, accurately and completely reflect the water demands of large use customers in the State, including data centers.

No later than twelve months after the date of this order, DEC shall deliver a report setting forth the results of such assessment and an identification of the potential regulatory, policy, and guidance actions that are necessary or appropriate to address the concerns associated with the siting and operation of data centers in the State.

6. Definition

For the purposes of this Executive Order, "data center" shall mean a facility or group of facilities located on the same site or contiguous sites used to house computer servers, associated components, or computing or telecommunications equipment for the storage, processing, distribution, and / or management of data. Characteristics of data centers subject to this Executive Order include computer servers, associated components, or computing or telecommunications equipment which: (1) are in facilities containing uninterruptible power supply systems, specialized cooling systems designed for high-density computing loads, and / or contain cybersecurity systems designed for secure digital infrastructure operations, (2) provide data storage, cloud computing, and/or content delivery to customers, internal operations, and/or affiliated business operations, oftentimes on a continuous twenty-four-hour cycle, and (3) consume or can consume 50 megawatts of energy or more. Provided, however, that a facility that is primarily used for manufacturing, research (including but not limited to quantum computing research or biomedical research), education (including but not limited to such facilities used by accredited colleges and universities in New York State, to the extent such colleges and universities are engaging in academic research, and the Empire AI consortium, or the institute, as defined in section three hundred sixty-one of the Economic Development Law), or the provision of medical care, is not covered by this definition and thus not subject to this Executive Order.

7. Agency Consultation

In implementing this order, DEC, DPS, and ESD shall consult with one another and with additional partner agencies and authorities in the State, including but not limited to the Authorities Budget Office, Department of Health, the New York State Energy Research and Development Authority, the Long Island Power Authority, the Department of State, as well as the New York Independent System Operator.



GIVEN under my hand and the Privy Seal of the
State in the City of Albany this fourteenth
day of July in the year two thousand
twenty-six.

BY THE GOVERNOR

A stylized, handwritten signature in black ink, consisting of a series of connected loops and strokes.

Secretary to the Governor

A handwritten signature in black ink that reads "Kathy Hochul" in a cursive script.