Summary of Executive Order 62 on Data Centers

Governor Hochul signed Executive Order 62 on July 14, 2026, imposing a moratorium on data centers that consume 50 megawatts or more, pending completion of a statewide environmental review. Note: this is separate from S10642/A11560, the legislation passed by the Senate and Assembly in June that would impose its own data center moratorium. The Governor has until the end of December to act on that bill. Below is a detailed summary of the Executive Order, and towns should pay special attention to the Community Investment Framework and state permit pause.

Overview:

- The Executive Order pauses DEC from issuing any permits related to data centers while DPS conducts an environmental review and issues a Generic Environmental Impact Statement under SEQRA. Towns may still issue their own permits.
- ESD will create guidelines for host community benefits
- DPS must explore creating a fund to make sure that any grid improvements needed because of datacenters are paid by datacenters, not overall ratepayers.
- DPS must convene a working group on things like who pays for the cost of improvements, if costs can accurately be estimated, and how data centers and large users connect to the grid.
- DEC must look at regulations currently in place for large-use water consumers to see if they need updating.

Definition of "Data Center"

Under this Executive Order, a facility qualifies as a "data center" if it meets all three of the following conditions:

- It contains infrastructure such as backup power systems, specialized cooling for high-density computing equipment, and/or dedicated cybersecurity systems.
- It provides data storage, cloud computing, or content delivery services—whether to outside customers, internal operations, or affiliated businesses—often on a continuous basis.
- It consumes, or has the capacity to consume, 50 megawatts of electricity or more.

Facilities primarily used for manufacturing, research, education, or medical care are exempt from this definition, even if they meet the criteria above.

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DEC Permit Pause Pending Environmental Review by DPS

The Department of Public Service (DPS) must produce a Generic Environmental Impact Statement (GEIS) as part of a formal SEQRA process examining data center construction and operation impacts, including energy demand, water use and quality, air quality, noise, and disproportionate impacts on disadvantaged communities. DEC must assist, and the process must include a public comment period and public hearing. There is no fixed deadline for completing the GEIS.

Until DPS finishes and submits the GEIS and findings statement, DEC must pause any discretionary permit application associated with data center construction or expansion that:

- is pending before DEC or may come in later, **and**
- had not already been deemed complete by DEC as of July 14, 2026.

The freeze applies only to DEC discretionary permits; it does not affect local governments' ability to act on permits data centers require at the local level. Note that DEC does not permit data centers themselves; however, data center projects may require certain DEC permits, such as water or air permits, in connection with construction.

Community Investment Framework (guidelines for host community benefits)

Empire State Development (ESD) must solicit feedback on and publish a Community Investment Framework on its website within 60 days, providing guidance to local governments and entities like IDAs on negotiating community benefits with data center developers. The guidance must address:

1. Community investment funds capitalized by data center developers/operators, usable for energy affordability efforts and public service enhancements such as child care, K-12 programming, or infrastructure.
2. Investment in local infrastructure such as energy distribution systems, broadband, irrigation systems, or wastewater treatment plants.
3. Labor frameworks that give organized labor a seat at the table and prioritize prevailing wage standards, project labor agreements, local hiring, and apprenticeship/workforce development.
4. Transparency measures so communities understand key economic metrics associated with data center development.

New York Grid Acceleration Fund

DPS must explore creating a fund that would shift the cost of grid upgrades needed to serve data centers onto the data centers themselves, rather than other ratepayers. This could include requiring data centers to pay upfront for grid improvements, participate in demand response programs, help fund new clean energy supply, and contribute to an insurance pool protecting ratepayers if a project is delayed, scaled back, or cancelled after infrastructure investments have already been made.

Interconnection, Reliability, and Cost Allocation

DPS must form a working group within 60 days to address how data centers and other large power users connect to the grid, ensuring those customers (not other ratepayers) pay for the network upgrades their projects require. DPS must also convene the state's utilities within 90 days to review whether current methods for studying grid impacts are adequate to accurately estimate and manage these costs. DPS and the Public Service Commission may also create new rate classifications specific to data centers.

Data Center Water Withdrawal Review and Report

DEC must assess whether new or amended regulations, policies, reporting, or guidance are needed to ensure its water withdrawal program requirements (6 NYCRR Parts 601 and 602) reflect the water demands of large-use customers, including data centers. No later than 12 months after July 14, 2026, DEC must deliver a report on the results of this assessment and identify potential regulatory, policy, and guidance actions.