



GOVERNOR JOSH SHAPIRO

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Governor Shapiro Signs Executive Order Demanding Data Center Developers Comply with Strict Requirements and Blocking Speculative, Irresponsible Data Center Projects

Governor Josh Shapiro signed an Executive Order (EO) directing the Department of Environmental Protection to only review permit applications if developers have made a legally binding commitment to meet the Governor's Responsible Infrastructure Development (GRID) Requirements and have received local approval.

The GRID Requirements demand developers meet strict standards on energy affordability, environmental protection, workforce and economic development, transparency, and community engagement.

The Executive Order removes all AI data center proposals from the Fast Track permitting process and prohibits the use of nondisclosure agreements for data center projects.

Read the full Executive Order [here](#).

Harrisburg, PA – Today, **Governor Josh Shapiro** signed [Executive Order 2026-05](#), directing Commonwealth agencies to require all data center proposals applying for permits with the Commonwealth to comply with the [Governor's Responsible Infrastructure Development \(GRID\) Requirements](#), blocking speculative, irresponsible data center projects from moving forward, giving local communities more power over data center development, and protecting Pennsylvania residents. The Executive Order directs the **Department of Environmental Protection (DEP)** to evaluate permit applications from proposed data centers only if developers have made

a legally binding commitment to meet the Governor's GRID Requirements and have received local approval.

"Over the past year, I've listened to the people of Pennsylvania – and I've heard directly from many residents across our Commonwealth who are concerned about what data center development could mean for our communities, our environment, and our utility bills," said **Governor Josh Shapiro**. "My message to data center developers is clear: if you can't agree to our strict requirements and get the community where you want to build to say 'yes,' you're not going to have the Commonwealth's support either. These are some of the biggest companies in the world — they can afford to be good neighbors, follow the rules, and do this right."

This Executive Order lays out strict requirements that data center developers must meet regarding energy affordability, community engagement, workforce and economic development, transparency, and environmental protection – and gives local municipalities a greater say over development in their communities.

"I grew up in southwestern Pennsylvania and remember when our air was thick with smoke and our rivers were dying, but we've seen so much improvement over the past three decades," said **Lieutenant Governor Austin Davis**. "As a parent, I think every single day about the kind of world I want to leave to my daughter, and that world has clean air for everyone to breathe and plentiful clean water for everyone to drink. Why would we go backward now? Governor Shapiro and I will stop the bad actors who are trying to come into Pennsylvania and build dangerous projects that ignore the will of the people."

The Governor is also immediately removing all AI data center projects from the PA Permit Fast Track Program and will not consider data center projects for the program going forward. Further, the Executive Order implements new public transparency requirements for developers, and makes clear that the use of nondisclosure agreements with data center projects is not permissible.

Establishing Strict Guardrails for Data Center Development

The Executive Order directs the **Pennsylvania Department of Environmental Protection (DEP)** to incorporate the GRID Requirements into the agency's permit review process for all data center proposals. Projects will be required to make legally enforceable commitments to meet the stringent standards established in GRID via a Consent Order and Agreement (COA).

For those projects, DEP will continue to review qualifying permits as the applications are submitted and found to be compliant under Pennsylvania law. However, as a change from current practice, DEP will not issue any permit unless the project has received all required local approvals. Permits will incorporate the GRID Requirements as warranted.

For developers who **do not** agree to meet the Governor's GRID Requirements, DEP will not begin review of permit applications until **after all required local approvals are secured** and every permit application required for construction of the data center has

been reviewed and found to be compliant by DEP. The new permit review process will apply to all new data center permit applications going forward.

In addition, the Department of Revenue (DOR) will update the [Computer Data Center Equipment Exemption Program](#) Guidelines to ensure applicants for the sales and use tax exemption also comply with the GRID Requirements.

The GRID Requirements stipulate that developers must:

- Pay the full cost of new electricity generation, transmission, distribution, and other infrastructure needed to power their project without shifting costs to Pennsylvania households and businesses;
- Commit to open, transparent engagement with local residents and leaders including detailed community outreach plans that include notification to impacted local governments, public meetings, and consultation early enough in the process to allow meaningful public input on major design decisions;
- Hire and train local workers and enter into meaningful community benefit agreements that invest in local priorities, from schools and infrastructure to long-term economic development; and
- Meet the highest standards for environmental protection, including strict water conservation requirements.

Listening to the People of Pennsylvania

The Governor is taking this bold action as the number and scale of proposed projects has grown rapidly and Pennsylvanians have expressed concerns about how new data center development could affect their communities, energy costs, air and water, and infrastructure. In May, Governor Shapiro [visited Archbald](#), where he heard from concerned residents about the potential impact of multiple data center proposals in the borough.

In the last year, DEP has become aware of an unprecedented number of data center proposals, with over 100 projects reported in publicly sourced databases, and 58 projects engaged with DEP to discuss permitting at some level of formality. Of those projects, 15 have applied for at least one DEP permit, and only five have received all necessary permits required for their first phase of development.

Effective immediately, [Executive Order 2026-05](#) directs Commonwealth agencies to take concrete actions to weed out speculative proposals and hold bad actors accountable for their attempts to run roughshod over Pennsylvania communities.

According to the Executive Order:

- **DEP will incorporate the GRID Requirements into the agency's permit review process for all data center proposals.** Projects will be required to make binding, legally enforceable commitments to meet the stringent standards established in GRID.

- Developers must **participate in a pre-application meeting with DEP** and **execute a [Consent Order and Agreement \(COA\)](#)** that contains a binding commitment to follow the Governor's GRID Requirements, and penalties for failure to follow through on those commitments. A template COA containing the Requirements is available [here](#).
- This new permit review process will begin immediately and cover all new permit applications going forward.
- **DEP will review its regulations, and recommend new regulations** to the Governor's Secretary of Policy and Planning as necessary to further protect Pennsylvania's environment and residents from the impacts associated with large-scale data center development and operation.
- **Data center operators will be required to submit to DEP information on energy and water consumption** with measurements including total energy consumption and total natural gas consumption for the previous calendar year; estimated average amount of energy usage per hour during the data center's peak; total water consumption for the previous calendar year, along with the maximum day demand; and any measures taken to protect the environment and public from polluted water or air.
- **DOR will update the Computer Data Center Equipment Exemption Program Guidelines to implement the Governor's GRID Requirements.** Applicants who do not meet the GRID Requirements will not receive the existing tax exemption.
- **All data center proposals will be removed from the PA Permit Fast Track Program, administered by the Office of Transformation and Opportunity (OTO).** Data center projects will not be considered for the PA Permit Fast Track Program in the future.
- The **Pennsylvania Department of Community and Economic Development (DCED)** will release best practices for municipalities on zoning standards and community benefit agreements when engaging with data centers.
- **The use of nondisclosure agreements with data center projects is not permissible.**
- **The Shapiro Administration has created a publicly accessible map containing all proposed data center projects in Pennsylvania that have engaged with DEP.** On the map, residents can easily track the status of permits as they are reviewed by DEP. The map will be updated regularly as DEP becomes aware of new proposals. The map can be viewed [here](#).
- The [Special Counsel for Energy Affordability](#), the Shapiro Administration's energy watchdog, will engage with the Pennsylvania Public Utility Commission (PUC) to ensure data center development does not shift energy costs onto Pennsylvania

households and businesses — and does not compromise the reliability of their electricity service.

- First, the Special Counsel will support the development of protocols to ensure that, in the event the power grid is stressed, data centers lose electric service before other customers.
- Second, the Special Counsel will work with the PUC to establish procedures for electric utilities to charge data centers – and not other customers – for the costs of “reliability backstop” auctions that PJM conducts to secure new power plants to meet data center demand.
- Third, the Special Counsel will support the PUC’s work to develop protocols for ensuring that data center electricity demand is accurately forecasted and transparently disclosed.

The Executive Order sends a clear message: developers must demonstrate that a project can be developed responsibly and the community approves of the project in order to move forward.

Leaders Across Pennsylvania Praise Governor Shapiro’s Bold Action

“DEP’s mission is to protect Pennsylvania’s air, land, and water resources, and we take that responsibility seriously,” said **DEP Secretary Jessica Shirley**. “Under Governor Shapiro’s Executive Order, data center developers must meet strong, enforceable environmental standards and demonstrate that their projects can move forward responsibly. We will continue to rigorously review these projects under Pennsylvania law and ensure that protecting our environment and communities remains at the center of that process.”

“The action Governor Shapiro is taking today through this Executive Order shows that he is listening to Pennsylvanians across the Commonwealth who have voiced their concerns about the impacts of data centers on their communities, the environment, and utility costs,” said **Secretary of Revenue Pat Browne**. “The Sales and Use Tax exemption on equipment purchases is a valuable tax benefit justifying the Governor’s position that data center projects established in Pennsylvania must follow strict standards which protect our residents and their communities in order to qualify for it.”

“When we created Hampden’s ordinance, we tried to put real, enforceable protections in place for things like energy costs, the environment, transparency, jobs and community involvement. What Governor Shapiro is doing takes many of those same concerns and addresses them at the state level. That gives communities like Hampden another layer of protection while still allowing us to make decisions locally,” said **Commissioner John Smith of Hampden Township**. “That’s really what local control is about and I want to thank Governor Shapiro for giving communities like Hampden a seat at the table.”

“There are a litany of issues concerning the public about the rapid proliferation of data centers nationwide. The GRID EO starts to address some of the biggest, as it relates to affordability, clean energy, and transparency,” said **Dawone Robinson, Managing**

Director, Climate & Energy, Natural Resources Defense Council. “There is more to do, but this is a strong start for Pennsylvania.”

“Today’s Executive Order is the latest in a series of bold actions Governor Shapiro has taken to ensure Pennsylvanians’ electric bills are affordable and fair,” said **Special Counsel for Energy Affordability Mark Szybist**. “Without new rules and procedures from the Public Utility Commission, data centers could make the electric system less reliable and impose unjust and excessive costs on the Commonwealth’s households and businesses. The Executive Order directs me to engage at the Commission and advocate for specific critical reforms that Pennsylvania electric customers need and deserve. I look forward to helping to drive these changes on the Governor’s behalf.”

“Pennsylvania is at a pivotal moment for our energy system, and the decisions we make today will shape our grid and what families and businesses pay for electricity for decades to come,” said **PUC Chairman Steve DeFrank**. “Governor Shapiro’s Executive Order builds on the important work already underway and reinforces a principle that must guide us moving forward: growth should pay for growth, while we protect the reliability and affordability that Pennsylvanians depend on every day.”

“Today’s announcement is important because it reinforces a fundamental principle: land-use decisions are best made at the local level by the officials who know their communities, understand local conditions, such as geography and public safety capabilities, and are accountable to the residents they serve,” said **Dave Sanko, Executive Director, PA State Association of Township Supervisors**. “Governor, on behalf of Pennsylvania’s townships and all local governments across the Commonwealth, thank you for your leadership and advocacy in prioritizing local decision-making on these important issues.”

“Our system is broken. Not only is energy unaffordable, it is increasingly scarce. We have multi-billion-dollar price increases and a less reliable grid,” said **Patrick Cicero, Counsel, Pennsylvania Utility Law Project**. “This is exactly why the action taken today matters. It seeks to ensure that we do not have a system where the wealthiest companies in the world get economic windfalls while a grandmother in Pennsylvania gets stuck with an electric bill she cannot afford.”

Governor Shapiro Takes Action After Senate Republicans Fail to Act

Governor Shapiro has repeatedly called on the Pennsylvania General Assembly to establish clear, enforceable protections for Pennsylvanians as data center development accelerates. While the House has advanced numerous pieces of legislation to codify the Governor’s GRID Requirements, Senate Republican leaders have refused to take action on data center protections.

Governor Shapiro is using the executive authority available to his Administration to put stronger protections in place and defend Pennsylvanians. The Governor will continue to call on the General Assembly to enact comprehensive, enforceable standards for responsible data center development.

The Governor's signing of [Executive Order 2026-05](#) builds on GRID's four core principles, focused on protecting energy affordability, promoting transparency and community engagement, supporting local workforce and economic development, and strengthening environmental protection. The GRID Requirements have [earned support](#) from a broad coalition of environmental advocates, organized labor, industry leaders, and local government stakeholders who recognize the need for clear, enforceable standards governing data center development in Pennsylvania.

"The Pennsylvania State Building Trades support the GRID principles outlined by Governor Shapiro and applaud the Governor's reasonable, measured approach to ensure that responsible data center developers have a path to build here in Pennsylvania," said **Rob Bair, President of the Pennsylvania State Building & Construction Trades Council**. "Community benefits, environmental consciousness, and mitigating energy costs are real concerns for our members, and we don't have to choose between creating good-paying construction jobs and ensuring that Pennsylvania consumers are protected in the process. We look forward to continuing to work with the Shapiro Administration on responsible development across the Commonwealth."

As demand for artificial intelligence and data center infrastructure continues to grow, these guardrails will ensure Pennsylvania remains competitive for major investment opportunities while requiring developers to meet clear standards that protect ratepayers, local communities, workers, and the environment.

Pennsylvania is open for business — but it is not open for business at the expense of everyday Pennsylvanians. If data center developers want Commonwealth support, they have to meet GRID Requirements, be good neighbors, and respect the communities where they want to build.

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