



Executive Order

Commonwealth of Pennsylvania

Governor's Office

Executive Order 2026-05 – Protecting Pennsylvania Consumers from Data Center Impacts

Date: August 18, 2026

By Direction of:

A blue ink signature of Josh Shapiro.

Josh Shapiro, Governor

WHEREAS, Pennsylvania has seen significant interest in the development of data centers within the Commonwealth; and

WHEREAS, most of these proposals are speculative in nature, with no identified end user, but comprise plans that, if realized, would add significant burdens to the local community – including energy costs, noise pollution, and more – absent sufficient efforts to mitigate those impacts; and

WHEREAS, while there are reports of over 100 data center facilities having been proposed in Pennsylvania, as of the effective date of this Executive Order, the Department of Environmental Protection has received permit applications related to 20 proposed data center facilities in this Commonwealth, and there are 14 existing or in-development data center locations with an active certificate of exemption from the Department of Revenue under the Computer Data Center Equipment Program authorized under Article XXIX-D of the Act of March 4, 1971, P.L. 6, No. 2, known as the Tax Reform Code of 1971; and

WHEREAS, in its 2025 Load Forecast, PJM Interconnection (PJM) projected 74 GW of summer peak electric load growth on the PJM regional grid through 2045, primarily driven by data center development; and

WHEREAS, due almost entirely to demand from prospective data centers, prices in the electric capacity market operated by PJM have surged to record highs, and the settling prices of the last three base residual capacity auctions have been curtailed only because of this Administration's negotiated price cap, which to date has saved consumers over \$30 billion in unfair electricity cost hikes; and

WHEREAS, even with the price cap, across PJM's last four base residual capacity auctions, data centers were responsible for \$29.4 billion in capacity charges to ratepayers, or 46% of the total auction costs, according to the PJM Independent Market Monitor; and

- WHEREAS, the development of data centers requires significant expenditures to upgrade electricity transmission and distribution systems, and current utility tariffs and regulatory practices allow some of these costs to be recovered from customers rather than data centers; and
- WHEREAS, the Ratepayer Protection Pledge that seven of the largest artificial intelligence companies have signed as of the effective date of this Executive Order, in which they commit to “Building, Bringing, or Buying New Power Supply,” and to paying for all new power infrastructure upgrades required to deliver electricity to their data centers, among other commitments, is non-binding; and
- WHEREAS, the Constitution of the Commonwealth of Pennsylvania and the laws of the Commonwealth recognize Pennsylvanians’ right to clean air, pure water, and to the preservation of the natural, scenic, historic, and esthetic values of the environment; and
- WHEREAS, without proper controls, the proliferation of data centers could harm Pennsylvanians’ right to clean air and pure water because of their emissions, water use, and energy demand; and
- WHEREAS, under Article VI, Section 619.2 of Act of July 31, 1968, P.L. 805, No. 247, known as Pennsylvania’s Municipalities Planning Code, state agencies “shall consider and may rely upon comprehensive plans and zoning ordinances when reviewing applications for the funding or permitting of infrastructure or facilities”; and
- WHEREAS, this Administration will always fight to protect Pennsylvanians’ constitutional rights and prevent excessive energy cost increases from being passed on to residents of the Commonwealth; and
- WHEREAS, the Governor’s Responsible Infrastructure Development (GRID) Requirements were announced on February 3, 2026, and on May 27, 2026, this Administration released standards to protect Pennsylvanians and establish strict guardrails to hold data center developers accountable to the public interest; and
- WHEREAS, the GRID Requirements focus on four key areas: (1) Energy Affordability; (2) Transparency and Community Engagement; (3) Workforce and Economic Development; and (4) Environmental Protection.

NOW, THEREFORE, I, Josh Shapiro, Governor of the Commonwealth of Pennsylvania, by virtue of the authority vested in me by the Constitution of the Commonwealth of Pennsylvania and other laws of the Commonwealth, do hereby direct as follows:

1. Establishing Strict Guardrails for Data Center Development.

- a.** The Department of Environmental Protection (DEP) shall develop a template Consent Order and Agreement that developers of any data center with peak demand of over 25 MW must execute and submit for the review process described in Paragraph 1(b). The template Consent Order and Agreement shall incorporate terms and conditions to ensure compliance with the GRID Requirements.

- b.** DEP shall establish a review process for any permit or authorization application submitted after the effective date of this Executive Order in connection with a data center project with peak demand of over 25 MW by an applicant that commits to follow the GRID Requirements.
- (1)** DEP shall make this review process available only to permit or authorization applicants that prior to submitting any new applications:
- (a)** Identify for DEP the nature of the development project and provide DEP a notice of intent to comply with the GRID Requirements; and
 - (b)** Participate in a meeting with DEP during which the applicant identifies permits and authorizations it intends to seek for the project and identifies when it will, or did, obtain local or municipal approvals for the project, and during which the parties will discuss a project-specific Consent Order and Agreement, based on the template developed under Paragraph 1(a) of this Executive Order, to implement the GRID Requirements; and
 - (c)** Execute a project-specific Consent Order and Agreement, based on the template developed under Paragraph 1(a) of this Executive Order, to implement the GRID Requirements.
- (2)** For permit or authorization applicants that execute a Consent Order and Agreement, DEP shall:
- (a)** Review applications for permits or authorizations on a rolling basis; and
 - (b)** Issue any qualifying permits or authorizations on a rolling basis only after the applicant has provided documentation to DEP demonstrating that the project is consistent with the local comprehensive plan and that the project has received all local or municipal approvals under the applicable subdivision and zoning ordinance (or ordinances if a project involves permits for facilities and infrastructure in more than one municipality or county), adopted pursuant Act of July 31, 1968, P.L. 805, No. 247, known as Pennsylvania's Municipalities Planning Code, or Home Rule authority, if any; and
 - (c)** Incorporate as conditions into any qualifying permits or authorizations, to the extent permitted by law, the GRID Requirements; and
 - (d)** For purposes of the PAYback program established under Executive Order 2023-07, *Building Efficiency in the Commonwealth's Permitting, Licensing, and Certification Processes*, and for the Permit Decision Guarantee Program established under Executive Order 2012-11, *Permit Decision Guarantee for the Department of Environmental Protection*, begin the processing timeline only after receiving documentation demonstrating that the data center project is consistent with the local comprehensive plan and has received all required local or municipal approvals; and

- (e) Notify the local jurisdiction or jurisdictions in which the data center project will be located, as well as the Department of Revenue (DOR), once a data center developer has executed a project-specific Consent Order and Agreement, based on the template developed under Paragraph 1(a) of this Executive Order, to implement the GRID Requirements.
- c. For any permit or authorization application submitted after the effective date of this Executive Order in connection with a data center project with peak demand of over 25 MW by an applicant that has not executed a Consent Order and Agreement to comply with the GRID Requirements, DEP shall:
 - (1) Not begin reviewing applications for permits or authorizations until after the applicant has provided documentation to DEP demonstrating that the project is consistent with the local comprehensive plan and that the project has received all local or municipal approvals under the applicable subdivision and zoning ordinance (or ordinances if a project involves permits for facilities and infrastructure in more than one municipality or county), adopted pursuant Act of July 31, 1968, P.L. 805, No. 247, known as Pennsylvania's Municipalities Planning Code, or Home Rule authority, if any; and
 - (2) Not begin reviewing applications for permits or authorizations until after the applicant has provided documentation to DEP demonstrating that the project has received any authorization for water withdrawal or wastewater discharge required for the project, if any is required; and
 - (3) Not issue permits or authorizations on a rolling basis and not issue permits or authorizations until after all necessary permit or authorization applications have been received and reviewed by DEP; and
 - (4) Exclude review of the permit or authorization from the PAYback program established under Executive Order 2023-07, *Building Efficiency in the Commonwealth's Permitting, Licensing, and Certification Processes*, and from the Permit Decision Guarantee Program established under Executive Order 2012-11, *Permit Decision Guarantee for the Department of Environmental Protection*.
- d. DOR shall, under Article XXIX-D, Section 2938-D of the Act of March 4, 1971, P.L. 6, No. 2, known as the Tax Reform Code of 1971, prescribe all necessary forms and procedures and make all necessary updates to the Computer Data Center Equipment Exemption Program Guidelines to ensure applicants for the sales and use tax exemption on or after the effective date of this Executive Order comply with the GRID Requirements.
- e. The Office of Transformation and Opportunity shall remove any existing data center project from the PA Permit Fast Track Program, established under Executive Order 2024-04, *PA Permit Fast Track Program*, and data center projects shall no longer be eligible for the PA Permit Fast Track Program.

2. Making Data Center Development Transparent.

- a.** For all agencies under the Governor's jurisdiction, the use of non-disclosure agreements in connection with a data center project is impermissible.
- b.** DEP shall create a publicly accessible map with current permitting information about all proposed data center projects known to DEP or DOR.
- c.** DEP shall notify data centers currently operating within this Commonwealth that by July 1, 2027, and by July 1 of every year thereafter, they must comply with the requirement to submit the energy and water consumption report required under Article XVIII-B, Section 1813-B of the Act of April 9, 1929, P.L. 343, No. 176, known as the Fiscal Code. The report shall include the following:
 - (1)** The name and address of the data center, including the nature or purpose of the facility; and
 - (2)** The name of the parent company of the entity that is responsible for management and operation of the data center, or utilizes at least 50% of the facility's capacity; and
 - (3)** Total energy consumption for the previous calendar year, specified by month and the source or sources of the energy consumed; and
 - (4)** Total natural gas consumption for the previous calendar year, specified by month; and
 - (5)** The estimated average amount of energy usage per hour during the data center's peak load, measured in megawatt-hours; and
 - (6)** Total water consumption for the previous calendar year, along with the maximum day demand, specified by month, water source and whether the consumption was intended for cooling or another application; and
 - (7)** Any measures undertaken in the previous calendar year to improve energy or water efficiency and reduce energy consumption or water consumption; and
 - (8)** Any measures undertaken to protect the environment and public from polluted water or air; and
 - (9)** Any measures undertaken to generate electricity from new sources on site or off site to reduce carbon emissions or impacts on the electric grid, including the specific energy source, the number of megawatt-hours generated from each identified source, and any potential future measures to generate electricity or other form of energy on site or off site; and
 - (10)** Any measures undertaken to recover waste heat to power the data center, or to recover waste heat for purposes relating to general building heating, cooling systems or coolant systems specifically for the capture of waste heat from processors; and

- (11) An estimation of the projected total energy and water demand for the following year, including a comparison of the previous year's total energy consumption and water consumption, if applicable; and
- (12) If water is being provided by a Public Water System permitted under the Act of May 1, 1984, P.L. 206, No. 43, known as the Pennsylvania Safe Drinking Water Act, identify the Public Water System and all associated agreements with the Public Water System.

3. Protecting Pennsylvania Consumers.

- a. To limit reliability impacts on the electric system caused by data centers, the Governor's Special Counsel for Energy Affordability ("Special Counsel") shall engage with the Pennsylvania Public Utility Commission ("Commission"), and shall advocate for the rapid development of rules, procedures, and orders that would:
 - (1) Ensure each electric utility that has received a request to interconnect a data center in its territory files with the Commission revisions to both its pre-emergency interim resource adequacy service (IRAS) and emergency load control procedures so that utilities curtail data centers prior to any other customer during pre-emergency IRAS or emergency events, unless the data center customer has secured incremental electric capacity for the entirety of its demand; and
 - (2) Ensure that utilities do not classify a data center as critical load exempt from curtailment during pre-emergency or emergency events.
- b. To limit electric system costs caused by data centers from being imposed on other customers, the Special Counsel shall engage with the Commission, and shall advocate for the rapid development of rules, procedures, and orders that would allow for the timely approval of utility tariffs that accomplish the following:
 - (1) Charge the appropriate data center customers for any PJM reliability backstop auction costs in accordance with the procedures ultimately approved by the Federal Energy Regulatory Commission in docket ER26-3380-000; and
 - (2) Prevent an electric utility from charging non-data center customers for backstop auction costs, including in the event that a data center becomes insolvent or is otherwise not able to pay the auction costs assigned to it; and
 - (3) Ensure that data center customers pay all Commission-jurisdictional interconnection costs that the utility incurs due to the development of data centers.
- c. In advance of PJM's reliability backstop auction and related actions, the Special Counsel shall engage with the Commission, and shall advocate for the rapid development of rules, procedures, and orders:

- (1) For electric utilities to submit megawatt adjustments for any reliability backstop auction target in accordance with the procedures ultimately approved by the Federal Energy Regulatory Commission in docket ER26-3380-000; and
- (2) For electric utilities to register large loads in PJM's large load registry, including any locational requirements for incremental electric capacity; and
- (3) For implementation of credits pertaining to PJM's pre-emergency IRAS program following the Federal Energy Regulatory Commission's ultimate disposition of relevant rules and procedures in docket ER26-3515-000.

4. Crafting Nation-Leading Rules and Best Practices.

- a. DEP shall recommend to the Secretary of Policy and Planning any new regulations it identifies as necessary to protect the environment, including air and water, from detrimental impacts caused uniquely by data center development and operation. In particular, DEP shall examine:
 - (1) Whether regulations should be updated to require new or different technologies or emissions controls for backup generators; and
 - (2) Whether regulations governing emissions from backup generators sufficiently consider the cumulative impact of multiple backup generators that may operate at a facility or proximate facilities under certain circumstances; and
 - (3) Whether regulations governing emissions from backup generators should be updated for instances when the backup generators may be deployed as grid resources; and
 - (4) Other regulations as necessary.
- b. DEP shall identify mechanisms to expedite permitting and remove permit-related barriers for new clean, reliable, affordable energy generation and storage facilities on brownfield and previously developed sites and facilities, including Commonwealth sites, as well as mechanisms to remove barriers to deploying advanced reconductoring and other advanced transmission technologies on existing transmission rights-of-way.
- c. The Department of Community and Economic Development (DCED) shall prepare best practices on zoning standards and community benefit agreements that municipalities and other local governments could use in their engagement with data centers.

5. Cooperation by State Agencies.

All agencies under the Governor's jurisdiction shall cooperate with, assist, and support DEP, DOR, and DCED as they work to fulfill their responsibilities as outlined in this Executive Order.

6. Implementation.

This Executive Order shall be implemented consistent with and to the extent permitted by applicable law and shall not be construed to contravene or supersede any state or federal law. This Executive Order is not intended to and does not create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the Commonwealth, its departments, agencies, or entities, its officers, employees, or agents, or any other persons. This Executive Order shall not be construed to impair or otherwise affect the authority granted by law to an executive department, agency, or the head thereof.

7. Severability.

The provisions of this Executive Order are severable. If any provision of this Executive Order, or the application of any provision, is held to be invalid, the remainder of this Executive Order and the application of its other provisions to any other circumstance shall not be affected and shall remain valid.

8. Effective Date.

This Executive Order shall take effect immediately and shall remain in effect until amended or rescinded by the Governor.