

INTELLIGENCE UPDATE

New York's data center pause may set a global precedent



Peter Judge 18 Aug 2026

Data centers have become contentious as they strain electricity grids and face increasing public opposition. Governments at all levels are looking for ways to respond that can make data centers good partners to the grid and welcome — or at least acceptable — neighbors in the communities where they are built. Several options have been put forward, including new connection rules that protect consumers and require data centers to pay for infrastructure upgrades, as well as new planning approaches. Some jurisdictions have proposed moratoria on new projects, effectively giving them time to develop and enact these new regulations.

In the US, New York has become the first state to impose a data center moratorium, specifically targeting hyperscale facilities. Governor Kathy Hochul's Executive Order 62 (EO 62) enacts a one-year halt on applications for projects larger than 50 MW while new policies are developed. The required policies are intended to:

1. **Provide a generic environmental impact statement (GEIS)** for data centers, assessing the potential environmental impacts of their construction and operation in the state, including energy demand, water quality and use, air quality, disproportionate impacts on disadvantaged communities and noise levels. The moratorium cannot be lifted until the GEIS has been completed.
2. **Provide a formal framework for community investment (benefits)** that may be promised by data center developers before a project starts. This might include education or public infrastructure investments, as well as involvement by organized labor.
3. **Protect electricity ratepayers** by establishing a Grid Acceleration Fund that could require data centers to fund new generation and transmission and mitigate associated risks.
4. **Set up a working group** to resolve issues relating to large-load connections.
5. **Assess whether new policies are needed** to ensure that the state's water withdrawal program meets the needs of large users, including data centers.

This package amounts to the state taking greater control over how power is generated and how it is consumed by large users. Operators may not welcome this approach, but the moratorium presents an opportunity to engage with a new model of public energy policy which is likely to echo in other states and nations.

At the same time, it is worth noting that Governor Hochul is pursuing entirely separate legislation to repeal sales tax exemptions for data centers. At least 36 states offer such incentives, most of which were designed some years ago to encourage small facilities with relatively significant job creation. Their future is now up for debate (see [US states rethink tax breaks amid rising scrutiny and costs](#)).

A different kind of moratorium

Data center moratoria generally have a time limit. They pause new project approvals while data center impacts are evaluated, local infrastructure is upgraded and regulations are developed to ensure community benefits. Globally, Singapore, Dublin and Amsterdam have all gone through versions of this process.

In the US, more than 100 local governments have imposed data center moratoria in response to grassroots opposition to data center development and, in some cases, in tension with generally positive state and federal policies. These measures are facing legal challenges from developers on constitutional grounds (see [US data center critics pivot from moratoria to regulations](#)).

US states have substantial powers and responsibilities in relation to electricity policy, bringing them closer in some respects to national governments elsewhere in the world. States are generally responsible for their own electricity grid and consumers, and Public Utility Commissions (PUCs) play a key role in this system. PUCs operate with a degree of autonomy, similar in some respects to national energy regulators in other countries.

While states and countries typically welcome data center investment and the associated economic benefits, some are finding that their regulators and grid operators are overloaded by more requests for data center connections than their grids can support — or accommodate within their net-zero goals.

Accordingly, governments are exploring ways to manage data center development, including state-level moratoria designed to provide time to develop effective regulations. As of July 2026, lawmakers in 15 states had debated moratorium bills, although none had passed at that point (see **Table 1**). Seven proposals had failed outright, while a further seven are stuck in the legislature as their proposed moratorium period runs down.

As this report was being prepared, a de facto moratorium emerged in Texas, where Governor Greg Abbott addressed the challenge of an abnormally large connection queue. He directed the PUC of Texas and grid operator Electric Reliability Council of Texas (ERCOT) to pause approvals for new data centers seeking grid connections until all project applications have been audited. This development will be addressed in future reports.

Table 1 Majority of state-level moratorium bills have failed to pass

State	Bill	Aims	Status
Delaware	SB 353	No permits over 100 MW until January 2027	Introduced
Georgia	HB 1059	No permits until December 2028	Introduced
Maine	LD 307	No permits over 20 MW until November 2027	Vetoed
Maryland	HB 120	No data centers constructed or permitted	Failed
Michigan	HB 5594/ HB 5595	No permits until April 2027	Introduced
Minnesota	HB 4888/ SB 4298	No permits until at least July 2027 (PUC report required)	Failed
New Hampshire	HB 1265	No data center construction for one year	Failed
New York	EO 62	No permits over 50 MW for one year, environmental statement required	A11560/S10642 passed but was replaced by executive order
Oklahoma	SB 1488	No data center construction until November 2029	Failed
Pennsylvania	SB 1359/ HB 2533	No new data centers for three years; impact studies; municipalities empowered to prohibit data centers	Introduced
South Carolina	H 5526	No permits, pending comprehensive oversight framework	Introduced
South Dakota	SB 232	No construction or expansion for one year	Failed
Texas	Governor's letter to PUC	No approvals till all projects are audited	De facto moratorium
Vermont	S 205	No permits until 2030, requires impact study	Introduced
Virginia	HB 1515	No new approvals until all interconnection requests are fulfilled, or July 2028	Continued
Wisconsin	SB 1061/ AB 1099	No new data center operation until 14 conditions are satisfied	Failed

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Meanwhile, in the state of New York, the legislature passed a ban on data centers of 20 MW or more, but this was vetoed by Governor Hochul. Instead, she issued an executive order (EO 62) imposing a different pause on data centers that are larger than 50 MW.

EO 62 does not address merely local grievances, like the moratoria in, say, Cave City, Kentucky, or Hill County, Texas. With its focus on state-level infrastructure, it is closer to larger-scale moratoria; but unlike those in Singapore (2019), Amsterdam, Netherlands (2019) and Dublin, Ireland (2021), it has been drafted in the era of the AI megaproject.

The New York directive aims to reset relations with local communities and, most importantly, to enlist data centers in the rebuilding the state's grid.

Fixing the grid

The state of New York consumes as much energy (150 TWh) as the Netherlands, and its infrastructure mirrors the issues facing many nations. It has a 2070 net-zero target, but

generating and distributing carbon-free power is a tricky problem: clean energy generation (hydro and nuclear) is mostly in upstate New York while consumption is downstate. The state may not be experiencing the deluge of data center applications faced by Texas (often quoted as around 474 GW), but the 12 GW in New York's grid connection queue amounts to around 30% of the existing 41 GW grid capacity.

These projects face challenges beyond securing power: three out of eight recently proposed projects have been canceled following local opposition, with only one obtaining approval. One developer canceled a 1 GW campus in the upper Hudson Valley when East Fishkill imposed a local three-year moratorium; one of eight New York municipalities to do so.

The power issue is one local grievance, alongside environmental, social and economic concerns. Data center developers require new power generation and transmission infrastructure, and consumers believe this will increase their electricity prices. When developers offer to build their own generation capacity, this is overwhelmingly on-site gas, which is likely to increase emissions while doing little to help the local grid.

EO 62 does not set out detailed plans, but (in point 4 above) it requires New York's Department of Public Service (DPS) to resolve large-load grid interconnection issues and propose answers to the systemic impacts of data centers, while ensuring that operators pay for required network and resource upgrades to shield consumers from price increases.

It also (in point 3) proposes a Grid Acceleration Fund to finance grid modernization, dedicated clean energy and new distribution. Developers may be asked to pay upfront for grid improvements, support new clean energy supply, including storage (dedicated to their own operations or attached to the grid) and comply with demand-response programs. The fund is also expected to set up an insurance pool to protect consumers from investment risks.

The fund's structure has not yet been defined: DPS has been told to assess how data centers will contribute to it (perhaps through a levy), while utilities and other stakeholders will be able to apply to the fund for financing specific infrastructure projects.

On-site gas may not satisfy this process. New York has rejected gas generation on climate grounds in recent years, including grid projects at Danskammer and Astoria in 2021, as well as a proposal in 2022 to use the 100 MW Greenidge gas plant as behind-the-meter power for a bitcoin facility.

Developers are therefore more likely to be conscripted into clean energy development. The New York Power Authority has been directed to build 1 GW of advanced nuclear power in the upstate region, with plans for further 4-5 GW of nuclear. Data center developers are likely to be asked to contribute to these projects.

Bringing the public along

However, data centers will not rebuild New York's grid if the public continues to oppose new projects. The rest of EO 62 addresses environmental, social and economic concerns in a bid to build public support.

Environment

Under point 1, the DPS is to develop a GEIS, setting environmental impact standards for data centers. Importantly, the GEIS is required before the moratorium can be lifted. After that, new projects can be permitted only if they meet its requirements.

Water infrastructure is dealt with separately (see point 5): the New York State Department of Environmental Conservation is required to determine whether new rules are needed.

Social

New York's economic development agency, the Empire State Development (ESD), must (see point 2) produce a community investment framework (CIF) — essentially a blueprint for negotiations between local bodies and data center developers over community benefits.

Community benefit agreements (CBAs) are binding contracts between developers and community groups, which Uptime Institute recommends as a way for developers to actively negotiate compromises with other stakeholders (see [Project approval will hinge on local benefit guarantees](#)). The CIF could make such agreements easier to establish by listing options including infrastructure improvements, childcare investments, education, direct financial investments in the community, as well as apprenticeships and wage and labor agreements during construction and operation. The ESD has already published an [outline of a CIF](#) and is inviting feedback.

The Uptime Intelligence View

New York's proposed response to grid strain and public discontent has potential risks: it creates a new administrative hurdle, while the proposed Grid Acceleration Fund could add costs for developers by requiring them to fund projects through a process that may be subject to political influence.

The moratorium gives New York developers time to inform and influence policymakers. Developers elsewhere in the world are likely to see elements of this approach reflected in their own governments' proposed solutions to grid strain and public concerns.

Other related reports published by Uptime Institute include:

[Draft grid rules position data centers as active grid participants](#)

[Virginia's power tax exposes policy trade-offs](#)

[Ireland: on-site power is forced through the grid](#)

[Is demand response a viable accelerator for grid interconnects?](#)

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