

PENNSYLVANIA DATA CENTER EXECUTIVE ORDER ADDS NEW DEVELOPMENT AND PERMITTING REQUIREMENTS

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On 18 August 2026, Governor Josh Shapiro signed [Executive Order 2026-05](#), Protecting Pennsylvania Consumers from Data Center Impacts. The order does more than restate the [Governor's Responsible Infrastructure Development \(GRID\) Requirements](#) from earlier this year. It gives those requirements real force by changing how large data center projects move through the commonwealth's permitting process and, notably places community land use decisions ahead of state environmental review. For a developer that does not agree to the new requirements, the order does not impose a formal moratorium, but it can operate like one in practice.

A TWO-TRACK CHOICE

The order reaches any data center with peak demand above 25 MW, which captures effectively every project of commercial significance now under discussion in Pennsylvania. From there, the practical consequences turn almost entirely on a single choice the developer has to make early, and that choice sets the tone for everything that follows.

At the center of the order is a Consent Order and Agreement with the Department of Environmental Protection (DEP), under which the developer commits to follow the GRID requirements. Those requirements, announced in February 2026 and detailed in May, built around four areas: energy affordability, transparency and community engagement, workforce and economic development, and environmental protection. Such requirements were first drafted as a voluntary framework. This order is what turns them into a practical condition of getting a data center project built. A developer that signs the agreement earns rolling review of its permit applications and can move the state process forward while it works through local approvals, similar to any other project in Pennsylvania. But that parallel path comes with a material constraint. DEP will not actually issue a permit until the project shows consistency with the local comprehensive plan and holds every local zoning and subdivision approval the project needs. The GRID terms then become conditions written into the permits themselves, and the state's typical permit review clocks do not begin to run until the local approvals are documented.

A developer that declines to sign the Consent Order and Agreement faces a markedly more difficult path. DEP will not begin reviewing applications at all until the project has secured both its full slate of local approvals and any water withdrawal or wastewater discharge authorizations it requires (which would include approvals from the Delaware and Susquehanna River Basin Commissions). Nothing moves on a rolling basis. Nothing issues until every application in the package has been received and reviewed together, and the project loses access to the state's permit decision guarantee programs entirely. For developers accustomed to running state and local permit

tracks in parallel to hold a schedule, this removes the flexibility that makes an aggressive timeline possible in the first place.

LOCAL GOVERNMENT GOES FIRST

The common thread across both tracks is that local governments now go first. State permits wait on local land use and zoning approvals regardless of which path a developer chooses. Developers should now treat early and genuine community engagement as an essential gating item for the development of the entire project.

FAST TRACK OUT, TRANSPARENCY IN

Two further changes push in the same direction, toward more transparency and less favorable treatment for data centers. Data centers are removed from the PA Permit Fast Track Program, the expedited review channel the commonwealth created in 2024 to move priority projects through permitting more quickly. Agencies under the governor's jurisdiction may also no longer sign nondisclosure agreements tied to data center projects, the kind of agreements that have often kept the identity of end users and the terms of their deals out of public view. On the reporting side, DEP must publish a public map of proposed projects and will begin requiring operating data centers to file annual energy and water consumption reports starting 1 July 2027.

WHO PAYS FOR THE GRID

The order also reaches beyond permitting into who pays for the grid. It directs the Governor's Special Counsel for Energy Affordability to press the Public Utility Commission toward rules that would curtail data centers ahead of other customers during grid emergencies and that would assign PJM backstop auction costs and interconnection costs to the data centers driving them, rather than spreading those costs across the general ratepayer base. That cost-allocation fight will play out over a longer horizon than the permitting changes, but it may end up mattering just as much to project economics.

QUESTIONS THAT REMAIN OPEN

A few important questions remain genuinely open. The order tells DEP to expedite permitting for new "clean, reliable, affordable" energy generation on brownfield and previously developed sites, yet it never defines those words. Whether new gas-fired generation qualifies (and under what conditions) and whether a project can satisfy the standard with co-located power, are unresolved and will shape how developers think about bringing their own supply. The "no-agreement" track raises its own thorny legal questions, because holding issuance of all permits until every application is complete sits uneasily alongside statutory deadlines already on the books, including the requirement that DEP act on certain air quality general permit applications within a fixed window. How the agencies reconcile the order with those existing timing rules is worth watching closely.

We are continuing to analyze the order and the review process the agencies will build around it, and we will share a more detailed update as that structure takes shape. Developers with data center projects in Pennsylvania will need to adjust to these new requirements in order to move through the permitting process efficiently and without delay.

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