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New York Enacts First-in-the-Nation Statewide Data Center Moratorium: Sheppard Mullin

As of May 2026, nearly 12 gigawatts of data center load requests were in the New York Independent System Operator interconnection queue, with more than two-thirds of capacity requests entering the queue in 2025 alone. On July 14, 2026, in response to concerns over this rapid growth, Governor Kathy Hochul issued Executive Order No. 62 (the “Order”) imposing a temporary moratorium on data centers in New York State. Among the concerns cited in the Order are the cost burden on ratepayers associated with transmission upgrades required to accommodate large loads, potential environmental impacts, and large-scale water use.

The moratorium is intended to halt activities while the state government develops a comprehensive legal framework for data center development. While dozens of municipal and county-level moratoriums are in place throughout the U.S., and while the legislatures of several states, including Maine, have proposed moratoriums, the Order is the first statewide moratorium to be enacted nationally.

Key Directives

Governor Hochul has issued directives to a number of state agencies to initiate processes to aid in the development of what is intended to be a robust regulatory framework. A summary table of these agency directives, including key timelines, is included below.

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