

Massachusetts Establishes New Framework for Data Center Development

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VIEWPOINT TOPICS

- Artificial Intelligence

Massachusetts has taken a significant step toward regulating large-scale data center development with Governor Maura Healey's issuance of **Executive Order No. 658**. The order establishes a statewide framework for the review and approval of large data center projects, with a focus on protecting ratepayers, communities, and environmental resources while supporting economic development.

The framework generally applies to data centers with peak electricity demand exceeding 25 megawatts and requires developers to satisfy new standards before receiving certain state permits or approvals.



The Executive Order seeks to ensure that the benefits of data center investment are realized without shifting energy, infrastructure, or environmental costs onto Massachusetts ratepayers and communities.

Key Requirements for Data Center Developers

Under the Executive Order, developers must demonstrate compliance with state standards for responsible development and operations.

Among the most significant requirements:

- Community Benefits Agreements for impacted communities
- Assessment of electricity demand and grid impacts
- Review of environmental and emissions impacts
- Consideration of water use and land use impacts
- Labor and workforce considerations
- Community engagement obligations

The order also establishes an interagency review process designed to coordinate permitting and oversight across state agencies.

Limited Exemptions for Certain Facilities

The Executive Order provides narrowly tailored exemptions for specific categories of projects, including certain facilities associated with:

- Accredited colleges and universities
- Medical care institutions
- Academic research activities

- State-sponsored programs

A Nationally Significant Framework

Massachusetts has adopted one of the more comprehensive state-level approaches to data center development in the country. As additional states evaluate how to balance economic growth, energy demand, grid reliability, and community impacts, the Commonwealth's framework may serve as a model for future policymaking.

Organizations considering data center investments in Massachusetts should carefully evaluate how the new requirements may affect project planning, permitting timelines, energy procurement strategies, and community engagement efforts.

What Comes Next

Developers, investors, energy providers, and large technology companies evaluating projects in Massachusetts should review the Executive Order's requirements and begin assessing potential compliance obligations.

The ML Strategies team is actively monitoring implementation of Executive Order No. 658 and stands ready to help organizations navigate the evolving regulatory landscape.

Authors



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Steve Baddour is a seasoned strategist and former Massachusetts State Senator and Assistant Attorney General with over three decades of experience in law, government, and public policy. His innovative approach to lobbying helps clients turn obstacles into opportunities by crafting tailored solutions that get results where others stall.



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