

DATA CENTERS

Data centers are regulated in many communities primarily to manage their massive electricity consumption, high water usage for cooling, and strain on the power grid, which can lead to higher utility bills for residents.

Key Reasons for Data Center Regulation:

- **Energy Grid Strain:** Data centers require significant, reliable power, which can lead to grid congestion and necessitate expensive infrastructure upgrades that are passed on to consumers.
- **Water Resources:** Facilities use substantial amounts of water for cooling, raising concerns about local water supplies and environmental impacts.
- **Ratepayer Costs:** The high energy demand can drive up energy prices for households and small businesses.
- **Environmental Impact:** Unchecked growth can conflict with the state's clean energy goals.
- **Environmental Justice:** Concerns exist that data centers often affect local, sometimes overburdened communities, requiring regulations to ensure equitable development.
- **Data Privacy Concerns:** A proposed Massachusetts Information Privacy and Security Act (MIPSA) aims to protect residents' data from unauthorized collection and usage, regulating how AI and data companies operate.

While some tax exemptions exist for qualified data centers, the state is looking at ways to ensure these projects provide local benefits, such as through union labor requirements, or by ensuring they bring jobs rather than just increased infrastructure costs.

<https://www.datacentermap.com/usa/massachusetts/>

April 2026 – 45 data centers in Massachusetts