

[Home](#) / [News](#) / [Press Releases](#)
/ Governor Sherrill Delivers All Four Pillars of Data Center Plan, Puts Power Back in the Hands of Communities

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Governor Signs Legislation to Monitor Water and Energy Use, Announces Statewide Community Benefit Agreement Guidance and Resources for Municipalities



TRENTON – Governor Mikie Sherrill today delivered on all four pillars of her comprehensive data center plan, signing legislation (S3379/A4096) to increase transparency around data centers’ energy and water use and announcing statewide guidance to help municipalities negotiate state community benefits agreements (CBAs), as well as technical assistance from the EDA, DEP, and BPU for communities. These actions follow the signing of nation-leading legislation in July that requires data centers to bring their own clean energy and establishes a separate rate class for these developments to shield other ratepayers from shouldering the costs of data center energy demand.

This major milestone comes just three months after Governor Sherrill first announced her data center plan, giving communities across New Jersey the tools to hold data centers accountable while ensuring they can participate in and benefit from the AI innovation happening in the state. While states across the country continue to consider approaches to address the rapid growth and increasing impact of data centers, New Jersey has moved aggressively to put this comprehensive framework into action.

"At the beginning of this summer, I announced the most comprehensive data center plan in the nation to establish strong guardrails and hold data centers accountable. Just three months later, I am delivering on all four pillars of that plan – taking action so that towns across New Jersey know we have their backs," **said Governor Sherrill**. "I am laser focused on driving down costs and making sure our state is more affordable. When it comes to data centers, we're doing that by putting power back in the hands of communities and ensuring data centers play by our rules – paying their fair share for energy and contributing to the grid, being transparent about their energy and water usage, making meaningful investments in communities, and bringing good union jobs when they are building."

S3379/A4096 requires data center owners and operators to submit semiannual reports to the New Jersey Board of Public Utilities (NJBPU) detailing their water and energy use. The reports will provide greater transparency into data centers’ demands on the state’s energy and water resources, including total energy consumption, energy used for cooling and information technology equipment, peak daily water use, water sources, and on-site and backup power supplies.

The Governor also announced new statewide guidance from the Department of Community Affairs (DCA) on CBAs to give municipalities the tools to ensure they are in the strongest negotiating position with data center developers over proposed projects. This guidance was sent to municipalities on August 25, via a [Local Finance Notice](#), and outlines how municipalities can leverage CBAs to help mitigate data center impacts, share in the economic benefits of these projects, and secure meaningful investments for their communities.

The guidance provides key considerations for evaluating impacts on local infrastructure and resources, assessing emergency response and infrastructure needs, and negotiating tangible community investments – from public infrastructure improvements and blight remediation to schools and workforce development programs. It also outlines state labor standards, including prevailing wage and project labor agreement requirements.

In addition to the guidance, the Economic Development Authority has established a resources and technical assistance online hub and has a team ready to provide support to communities. The BPU and DEP have also established technical assistance teams, all of which can be found on the EDA’s [Municipal Resource Hub](#).

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Office of Governor
PO Box 001
Trenton, NJ 08625