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April 17, 2026

Secretary Eric Paley
Executive Office of Economic Development (EOED)
1 Ashburton Place
Boston, MA 02108

Re: Follow-up on Qualified Data Centers Regulations

Dear Secretary Paley,

I write to you today regarding the [now promulgated regulations](#) for the Qualified Data Centers (QDC) tax exemption program, which took effect on March 27, 2026. It is my understanding that application for qualification is set to launch next month. I wanted to send this letter prior to that launch as a follow to my correspondence in October to your team regarding QDCs use of local power supplies.

At a time when affordability and utility costs are something my office continues to hear from residents each and every day about, I want to make sure that any toll on local power and water supplies, and any impact on rate-paying residents as a result, is something that is kept firmly in front of mind as applications for certification are reviewed. **Costs associated with increased usage or consumption should absolutely not fall to the residents of our communities**, they should fall squarely on the entities that are applying for certification and that are directly responsible for increased usage.

I want to extend my gratitude to you for your work to add measures in the promulgated regulations that seek to address these concerns that I shared in October. I am grateful that the final regulations include disclosure requirements around electricity usage and generation when an entity is applying for certification, measures that I do believe will provide EOED with critical

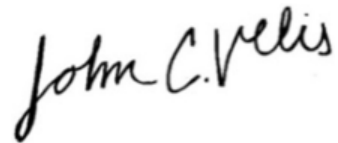
information about potential electricity consumption and potential burdens on local utilities when considering a certification application.

As we continue towards the launch of the application, it is my hope that these concerns continue to be kept in mind. As I noted in October, QDCs are extremely and increasingly energy-hungry, putting a large strain on the grid. But QDCs can also consume an enormous amount of water in their operations, a concern that has been raised in various communities where data centers have been considered. I believe it is critical that we continue to keep both usages, as well as any potential impact on local resources and communities, front and center as this process continues.

Thank you again for you and your team's work on these regulations, and for all your work to support this booming sector in coming to our Commonwealth. I truly believe the benefits that this credit will bring to the state sector and our regional economies will be transformational, and appreciate the work being done to ensure the program is carried out in a balanced and responsible way. I also appreciate that the work to address these potential concerns goes far beyond the discretion of EOED alone, and my team will be sharing this with the Department of Energy Resources (DOER) and the Department of Public Utilities (DPU) as well.

I appreciate your attention to this letter and please do not hesitate to reach out if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "John C. Velis". The signature is written in a cursive, slightly slanted style.

Senator John C. Velis
Hampden and Hampshire District