



State of Wisconsin

2025 - 2026 LEGISLATURE

LRB-5891/1
KP&ZDW:cdc&skw

2025 BILL

- 1 AN ACT ***to create*** 196.20 (10), 196.492 and 299.70 of the statutes; **relating to:**
- 2 certain requirements related to data centers.

Analysis by the Legislative Reference Bureau

This bill establishes the following requirements related to data centers:

1. The Public Service Commission must ensure in its rate-making orders that no costs associated with the construction or extension of electric infrastructure that primarily serves a data center are allocated to or recovered from any other customer. Under current law, a public utility generally may not make a change to its rate schedules that constitutes an increase in rates, except by order of PSC after an investigation and opportunity for hearing.
2. Any renewable energy facility that primarily serves the load of a data center must be located at the site of the data center.
3. Water used by a data center for cooling purposes must be contained in a closed-loop cooling system, which is a system for removing heat from equipment and that relies on a fixed volume of water that is continually recycled.
4. The operator of a data center must annually report to the Department of Natural Resources the total amount of water used by the data center for the 12-month period prior to submitting the report.
5. A person may not operate a data center unless they file with DNR a bond or other security in an amount sufficient to cover the estimated cost of fulfilling any required reclamation.
6. If construction of a proposed data center is not completed, the owner must

notify DNR and commence restoring the parcel to the condition that existed prior to any construction on the data center.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 196.20 (10) of the statutes is created to read:

2 196.20 (10) (a) In this subsection, “data center” means a facility having a
3 primary purpose of storing, managing, and processing digital data.

4 (b) The commission shall ensure in rate-making orders that no costs
5 associated with the construction or extension of electric infrastructure that
6 primarily serves the load of a data center are allocated to or recovered from any
7 other customer.

8 **SECTION 2.** 196.492 of the statutes is created to read:

9 **196.492 Location of renewable energy facilities serving data centers.**

10 **(1) DEFINITIONS.** In this section:

11 (a) “Data center” means a facility having a primary purpose of storing,
12 managing, and processing digital data.

13 (b) “Renewable energy” has the meaning given in s. 196.378 (1) (fg).

14 (c) “Renewable energy facility” means an electric generating facility that
15 generates renewable energy.

16 **(2) LOCATION REQUIREMENT.** Any renewable energy facility that primarily
17 serves the load of a data center shall be located at the site of the data center.

18 **SECTION 3.** 299.70 of the statutes is created to read:

19 **299.70 Data centers.** **(1) DEFINITIONS.** In this section:

BILL

1 (a) "Closed-loop cooling system" means a system for removing heat from
2 equipment and that relies on a fixed volume of water that is continually recycled.

3 (b) "Data center" means a facility having a primary purpose of storing,
4 managing, and processing digital data.

5 **(2) WATER USAGE.** (a) A data center may not be constructed or operated in
6 this state unless water used by the data center for cooling purposes is contained in
7 a closed-loop cooling system.

8 (b) A person may not operate a data center in this state unless the person
9 annually reports to the department the total amount of water used by the data
10 center for the 12-month period prior to submitting the report.

11 **(3) BONDS AND OTHER SECURITY.** (a) A person may not operate a data center
12 in this state unless the person files with the department a bond furnished by a
13 surety company licensed to do business in this state. In lieu of a bond, the person
14 may deposit cash, certificates of deposit, or government securities with the
15 department. Interest received on certificates of deposit and government securities
16 shall be paid to the person. The amount of the bond or other security required shall
17 be equal to the estimated cost of fulfilling the reclamation required under sub. (4).

18 (b) Upon approval of the person's bond or other security under par. (a), the
19 department shall issue written authorization to commence construction of a data
20 center.

21 **(4) RECLAMATION.** If construction of a proposed data center is not completed,
22 the owner shall notify the department and commence restoring the parcel on which

BILL

1 construction was begun. The owner shall restore the parcel, to the greatest extent
2 feasible, to the condition that existed prior to any construction on the data center.

3 (END)