



Sierra Club Opposition to AB840- Poison Bill Data Center Bill

The Sierra Club- Wisconsin Chapter is disappointed that AB 840, the Poison Pill Data Center Bill, passed the Wisconsin State Assembly. The bill purports to protect Wisconsinites from high energy bills due to data centers. However, it actually lets Big Tech off the hook and doesn't require Big Tech to pay its fair share. It precludes clean energy fueling the data centers, opening Wisconsinites up to even higher electricity bills.

The Sierra Club is engaged in a novel [Public Service Commission \(PSC\) proceeding](#) that will create a special rate structure or "tariff" for "Very Large Customers" (VLC), like hyperscale data centers, in We Energies' territory. This tariff will determine if data center developers pay for their power and infrastructure, or if those costs will land on everyday customers.

The Sierra Club and a broad coalition of organizations are participating in the proceeding, pushing the Public Service Commission to ensure that Big Tech pays the full cost of data centers, from its power usage to the infrastructure created to power the data centers.

AB840 requires that any renewable energy used to power data centers must be located on the data center's property. Given the enormous amount of energy data centers consume, only a portion will come from clean energy. A [Wisconsin Watch](#) article gives an example of how infeasible this is:

"For example, the Lighthouse data center — being developed by OpenAI, Oracle and Vantage near Milwaukee — will subsidize 179 megawatts of new wind generation, 1,266 megawatts of new solar generation and 505 megawatts of new battery storage capacity, according to testimony from one of the developers in the We Energies tariff proceeding.

But Lighthouse covers 672 acres. It takes about 5 to 7 acres of land to generate 1 megawatt of solar energy, meaning the whole campus would have room for only about a tenth of the solar the developers promise."

As part of our expert testimony in the docket mentioned above, we introduced [a new](#) GridLab report showing that **if this bill is enacted and data centers primarily rely on gas plants for power, all Wisconsin residents could see increased electricity bills.**

Key findings of the report include:

- Serving large data center loads with gas exposes the whole system — and therefore **all ratepayers — to volatile natural gas prices, not just the data centers that will drive the build-out of gas.**
- When modeled across low, base, and high gas price scenarios, a portfolio dominated by **new gas units has significantly higher operational costs than portfolios that rely more on renewables and storage** — with cost gaps ranging from \$136M–\$559M depending on scenario.

- **Adding more renewables and storage reduces exposure to fuel price risk**, and even when assuming no federal renewable tax credits, these portfolios still had lower total system costs once fuel risk was accounted for.
- **The report concludes that large-load customers (e.g., data centers) can shift financial risk (especially for fuel cost) onto other customers**, including households and small businesses.

This report shows that passing AB840 would harm Wisconsinites. In addition to elevated electricity bills, blocking renewable energy development will mean more fossil fuels, and the dirty air, water pollution, and health impacts that come with them.

To avoid the worst impacts of climate change, Wisconsin must accelerate renewable energy development—not restrict it. This bill moves us in the wrong direction and should be rejected.

AB840 would let Big Tech off the hook for the true cost of its data centers and force Wisconsin residents to cover the difference.