

INFO

PROPOSED RULES FOR DATA CENTERS

SERVING NEW GROWTH WITHOUT RAISING COSTS FOR EXISTING CUSTOMERS



“We recognize the growing energy needs of large customers, including data centers, and the important role they play in driving economic growth and innovation in Wisconsin. At the same time, it’s critical that growth is managed in a way that does not raise the rates of customers and supports the communities we serve.”

— Karl Hoesly, President
Xcel Energy
Wisconsin and Michigan

Xcel Energy and utilities across the country are updating rules and policies for data centers and other large electric customers to help make sure we manage this growth responsibly and ensure that they do not cause our existing customers’ bills to increase.

We have proposed new rules to the Public Service Commission of Wisconsin that would allow us to serve these new customers and support local economic development while ensuring data centers and other large electricity users pay their own way — protecting our existing customers and maintaining dependable, low-cost electric service.

Protecting customers comes first

Data centers and other large projects bring jobs, investment and innovation to the regions we serve. To meet new demand from large energy users, we’re filing large load tariffs with state regulators to establish clear pricing, planning and cost responsibility rules for this growth.

Our proposed rules make sure big electricity users pay for what they need. They assign the cost of required electric system upgrades to large customers, so existing customers don’t pay for or subsidize this growth, and the reliability of the electric grid is preserved.

Proposal at a glance

Xcel Energy’s large load tariff would establish clear and transparent rules to make sure that new large electric customers pay 100% of the cost of any infrastructure needed to serve them. If approved as filed, the new rules would ensure that these potential customers, including any new large data centers, would not raise the bills of any of the company’s current or future customers.

The proposal would apply to new customers or significant electric load expansions of 100 megawatts (MW) or greater to the grid and includes multiple safeguards to protect existing and future customers, including:

- **Long-term commitments:** New large electric customers would be subject to binding 15-year commitments, supported by strong financial security provisions to ensure long-term benefits for communities.
- **Minimum monthly payments:** New large electric customers would pay the full cost of all electric infrastructure needed to serve them through a minimum monthly payment requirement.
- **Exit fees:** If a new large electric customer ends operations early, pre-arranged charges would recover all remaining costs of infrastructure that was built to serve them.

Our core principles



Customer protection and cost responsibility. Large load tariffs enable Xcel Energy to serve fast-growing large customers, such as data centers, while requiring those customers pay the full cost of the power supply and grid infrastructure they need. In short, data centers and other energy-intensive businesses will pay their own way.



Grid reliability and smart system planning. Long-term commitments and financial protections allow electric system investments to be planned and built in advance of projects coming online, supporting reliable service and resiliency for all customers.



Rate stability and affordability. Large customers should help keep electric bills in check. When large customers fund the electric infrastructure required to serve them, additional energy sales help spread existing fixed grid costs over a larger sales base. This puts downward pressure on rates over time, which can help keep all customer bills low.



Transparency and accountability. State regulators review tariff terms of service and cost recovery to ensure outcomes are reasonable, fair and in the public interest.



Learn more about how we serve large electric users, such as data centers, without increasing costs for existing customers.

