THREE KEY INTERVENTIONS TO DELIVER ELECTRICITY BILL SAVINGS IN WISCONSIN

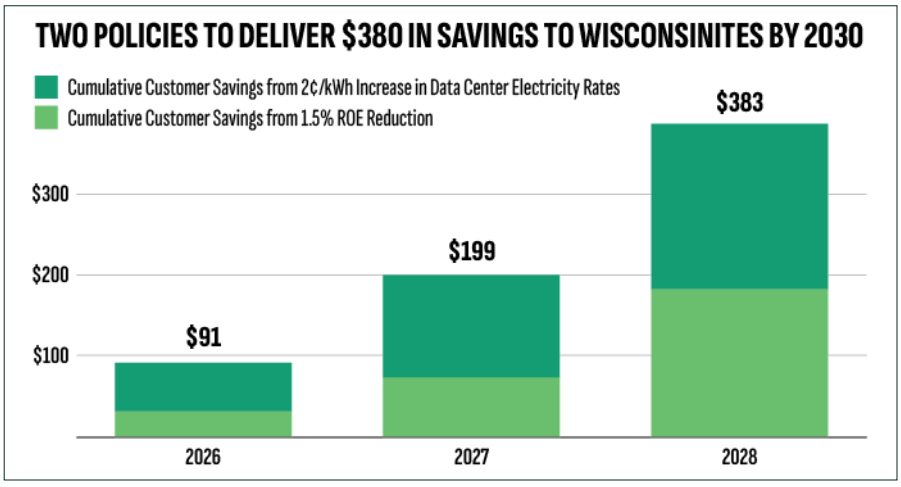
New analysis from 5 Lakes Energy finds that affordability-focused energy policies could save the average Wisconsin household **$380 on their electric bill by 2028** and **more than $4,000 over the 2030s,** compared with Wisconsin's current policies. By implementing policies now that require data centers to pay a surcharge on their energy consumption, curb excess utility profits, and expand renewable energy, energy efficiency, plus building and vehicle electrification, **Wisconsin leaders could reduce residential electricity bills by nearly $500 million by 2028 and $11 billion by 2040.**

SAVINGS THAT START NOW AND GROW OVER TIME

Wisconsin can take action now to deliver immediate relief on electricity bills while making investments that generate even greater savings over the next decade.

POLICY	NEAR-TERM SAVINGS	LONG-TERM SAVINGS
Make Data Centers Pay a Surcharge	**$180** per household by 2028	Savings continue as data center demand payments grow
Right-Size Utility Profits	**$200** per household by 2028	Ongoing annual bill savings - increases on linear basis
Clean Energy, Efficiency & Electrification	Savings begin as investments ramp up	**~$2,590** per household in the 2030s
Combined Impact	**$380** per household by 2028	**$4,029+** per household by 2040 (clean energy, efficiency, and electrification policy paired with the data center surcharge)

By enacting these policies now, Wisconsin households could save nearly $400 by 2028 and grow these savings to more than $4,000 per household by 2040.



5 LAKES ANALYSIS IDENTIFIED TWO POLICIES THAT CAN LOWER ENERGY BILLS CONSIDERABLY FOR WI HOUSEHOLDS IN LESS THAN A YEAR.

1. REQUIRE DATA CENTERS—THE BIGGEST ENERGY USERS ON THE GRID—TO PAY A 2¢/KWH SURCHARGE

Wisconsin is quickly becoming a hub for data center development, driving a rapid increase in electricity demand. 5 Lakes Energy estimates that roughly 25% of Wisconsin's electricity generation could be used to power data centers by 2028. Without effective guardrails and rate structures, the costs of serving these high-energy users could be shifted onto everyday customers.In addition to requiring data centers to pay the full costs of the energy they require—as the Wisconsin PSC is pursuing—a 2¢ per kwh surcharge on their electricity use, consistent with approaches in other states, will generate additional revenue. This additional revenue could help lower residential electric bills. **The surcharge could save the average Wisconsin customer $180 cumulatively by 2028.** Requiring data centers to power a portion of their operations with clean energy—the cheapest and fastest-to-deploy sources of new electricity today—could deliver additional savings, improve public health, and help Wisconsin meet its clean energy goals.

The Wisconsin Public Service Commission (PSCW) and Legislature have the authority to establish clear, uniform rules regarding data center cost allocation. Other states are already moving in this direction. Virginia has established a separate rate structure requiring large data centers to pay more of the infrastructure costs associated with their demand and, beginning in 2026, imposed an additional 1.1-¢-per-kWh electricity tax on certain data centers. Oregon has similarly established a separate rate structure for large energy users to better protect other customers from the costs of serving them.

Establishing these guardrails will protect Wisconsin customers from rising costs as electricity demand grows and ensure data center development does not come at the expense of affordable electricity.

2. RIGHT SIZE UTILITY PROFIT

Private (or "investor-owned") utilities– which provide 83% of Wisconsinites electricity– earn an authorized return on equity (ROE) on capital investments, such as grid infrastructure, in exchange for taking on the financial risk of funding them. Utility ROEs have consistently been above their cost of equity, or the return required by shareholders to invest, for the last thirty years. Higher ROEs can incentivize utilities to favor capital-intensive investments, like large natural gas power plants, over potentially lower-cost alternatives that reduce or eliminate utility profits,

like energy efficiency or grid-enhancing technologies, and make existing capital investments more expensive for ratepayers. This can make utility service more expensive than it needs to be.

Setting an appropriate utility ROE is a core responsibility of state regulators. At a time when energy affordability is a growing concern, it makes sense to revisit these returns and adjust them while still enabling utilities to invest in needed grid upgrades and infrastructure. The standard authorized ROE for Wisconsin's major IOUs is 9.8%, while investment advisory services like Morningstar have estimated the current cost of equity for Wisconsin utilities to be between 7–7.5%. **5 Lake's finds that for every 1.5 percentage point reduction in return on equity above the utility's cost of equity, households could save $76 per year by 2028, and $200 total between 2026 and 2028.** That's a meaningful reduction in bills, without sacrificing system reliability or necessary investment. This reduction is illustrative; savings would scale up or down linearly if ROE were reduced by more or less. Both the state legislature and the PSCW have the authority to make this change.

5 LAKE'S ANALYSIS ALSO IDENTIFIED POLICIES THAT, IMPLEMENTED NOW, CAN LOWER HOUSEHOLD SAVINGS FOR DECADES.

3. INVEST IN CLEAN ENERGY, EFFICIENCY, AND ELECTRIFICATION

Expanding clean energy generation and investing in energy efficiency, electric home heating, and electric vehicles can lower energy bills compared with Wisconsin's current policies. 5 Lakes Energy modeled three clean energy strategies:

- **High Renewables:** Wisconsin electricity sales are 50% clean energy by 2030, 65% by 2035, and 80% by 2040.
- **High Energy Efficiency:** Wisconsin buildings increase energy efficiency savings to 1% annually by 2035 and maintain that level through 2040.
- **High Electrification:** 40% of Wisconsin's heating and appliance installations are electric by 2040, 100% of light-duty vehicle sales are electric by 2035, and 100% of heavy-duty vehicle sales are electric by 2045.

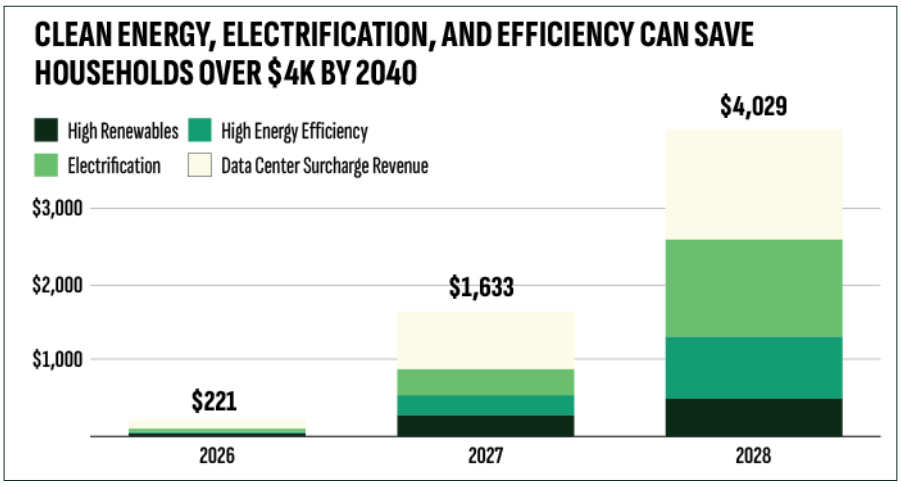
5 Lakes Energy found that combining these strategies into an "All In" policy would save residential customers approximately **$2,600 per household over the 2030s.** Adding a 2¢/kWh data center surcharge would **increase those savings to approximately $4,029 per household.**

The decisions energy developers, utilities, and households make today will shape Wisconsin's energy bills for decades to come. Making smart investments in clean

energy—the cheapest and quickest resources to deploy—can help ensure Wisconsin has affordable, reliable energy both now and in the future. Pairing these investments with energy efficiency and the electrification of homes, businesses, and vehicles can further support a healthy, affordable energy future for Wisconsinites.

Besides bill savings, these "All In" investments deliver meaningful public health benefits. By reducing emissions of SOx, NOx, and PM2.5, the policies modeled in the "All In" scenario prevent more than **200 premature deaths in the 2030s.** The result is over **$2 billion in savings on avoided public health expenses by 2040.**

These "All In" policies also create jobs by supporting investments in clean energy, energy efficiency, and electrification. Over the 11-year study period, the "All In" policy scenario **generates the equivalent of approximately 34,000 full-time jobs.**



PRIORITIZING LOW-COST, CLEAN ENERGY IN A RAPIDLY CHANGING ENERGY LANDSCAPE

Together, these three policies offer a clear path to managing costs in a rapidly changing energy landscape. In 2030, the combined policies would save Wisconsin ratepayers **$907 million,** with most households saving **$380 on their energy bills.** As electricity demand and prices rise—driven in part by data centers, utility investments, and broader inflation—Wisconsin's policy choices today will determine whether ratepayers continue to face steep cost increases or see meaningful relief. Prioritizing low-cost clean energy, investing in electrification and energy efficiency, right-sizing utility returns, and ensuring data centers pay their share will be critical to protecting households from unnecessary costs while maintaining a reliable grid.

Evergreen Collaborative

NRDC