State of Wisconsin
DEPARTMENT OF NATURAL RESOURCES
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December 16, 2025

FID NO.: 114136440
EXEMPTION NO.: 25-EXM-042

AM/7

Carrie Tillman
Vice President
Degas LLC
1800 Broadway, Suite 300
Boulder, CO 80302-5289

SUBJECT: Request for an exemption from construction permitting under the s. NR 406.04(1)(zh), Wis. Adm. Code, and an exemption from operation permitting under s. NR 407.03(1m), Wis. Adm. Code, for a data center

Dear Carrie Tillman:

The Department of Natural Resources has received the air pollution control construction permit exemption and operation permit exemption request regarding the proposed construction and operation of a data center to be located in Beaver Dam, Wisconsin.

PROJECT DESCRIPTION

Degas LLC is proposing to construct a data center in Beaver Dam, Wisconsin. The proposed facility will include the following emissions units:

- Three (3) 3,000 kilowatt (kW) diesel-fired emergency generator engines
- One (1) 2,000 kW diesel-fired emergency generator engine
- One (1) 500 to 1,000 kW diesel-fired emergency generator engine
- Two (2) 167 kW diesel-fired fire pump engines

Each engine will be equipped with a diesel belly tank.

ELIGIBILITY AND APPROVAL

Based on the information provided and the assumptions laid out in the department's exemption analysis memo, the proposed project is exempt from construction permit requirements under s. NR 406.04(1)(zh), Wis. Adm. Code. This determination is based on the following:

- The construction of a new facility is exempt from construction permitting if the facility will be exempt from the requirement to obtain an operation permit under s. NR 407.03(1m), Wis. Adm. Code, after completion of the proposed construction. As discussed below, the proposed facility meets the criteria to be exempt from operation permitting under s. NR 407.03(1m), Wis. Adm. Code.

Based on the information provided and the assumptions laid out in the department's exemption analysis memo, the proposed project is exempt from operation permit requirements under s. NR 407.03(1m), Wis. Adm. Code. Because the facility will be required to submit an annual emission inventory under s. NR 438.03, Wis. Adm. Code, based on the estimated actual emissions specified in the exemption application, the proposed facility is exempt from the requirement to obtain an operation permit under s. NR 407.03(1m), Wis. Adm. Code, if the facility notifies the department of its intent to operate under this exemption and the exemption eligibility criteria in s. NR 407.03(1m)(a)1.-4., Wis. Adm. Code, are met. The exemption eligibility criteria and a discussion of how the criteria are met is provided below:

- The facility notified the department of its intent to operate a data center under the operation permit exemption in s. NR 407.03(1m), Wis. Adm. Code, on May 6, 2025.

- The actual emissions of each air contaminant from the facility will not exceed any of the levels below. Based on the permit application, the estimated actual emissions from the facility do not exceed these levels.

    - 10 tons in any calendar year for each of the following air contaminants: particulate matter, nitrogen oxide, sulfur dioxide, PM_{10}, carbon monoxide and volatile organic compounds.

    - 0.5 tons in any calendar year for lead.

    - Any stack-appropriate thresholds for emissions points in columns (c), (d), (e) and (f) of Table A, B or C of ch. NR 445, Wis. Adm. Code. Per s. NR 445.07(5)(a), Wis. Adm. Code, the emissions of ch. NR 445, Wis. Adm. Code, hazardous air contaminants from the proposed facility will be exempt from s. NR 445.07, Wis. Adm. Code, because they will result from the combustion of diesel fuel which is a group 1 virgin fossil fuel. Therefore, non-exempt emissions will not exceed the threshold values in Table A of ch. NR 445, Wis. Adm. Code.

- The facility is not subject to an emission limitation or emission standard under section 111 or 112 of the Act except for a source subject solely to regulations or requirements under section 112 (d) (5) or (r) of the Act or engine certified to meet the emission standards in 40 CFR part 60, subpart IIII or JJJJ for each fuel used. The proposed facility will include engines that will be subject to emission limitations in 40 CFR 60, Subpart IIII, and the engines will be certified to meet the emission standards for the fuel to be used in the engines.

- The owner or operator conducts monitoring and maintains records sufficient to demonstrate compliance with the requirements of this paragraph, including the calculation of annual facility-wide emissions. These records shall be maintained on site for at least 5 years, unless a longer period is required by statute or rule. Degas LLC will be required to maintain these records to continue to qualify for this exemption.

- If a control device is used to limit actual emissions, the owner or operator uses a compliance monitoring method which is identified in s. NR 439.055, Wis. Adm. Code. A control device will not be used to limit actual emissions.

Note that this opinion is based on a presumption that this project is not a portion of any other projects, which together may be subject to construction permitting.

Although this project has been determined to be exempt from the requirement to obtain a construction permit under ch. NR 406, Wis. Adm. Code, and this facility has been determined to be exempt from the requirement to obtain an operation permit under ch. NR 407, Wis. Adm. Code, the facility is still subject to all applicable requirements in chs. NR 400 - 499, Wis. Adm. Code and any other applicable federal, state or local regulations, including the annual emission reporting requirements of s. NR 438.03, Wis. Adm. Code.

This air pollution control construction permit exemption approval does not constitute approval from any other local, state or federal agency or program. Construction may not commence until all other permits or approvals necessary to commence construction are issued.

For questions about this exemption, contact Dave Minkey at david.minkey@wisconsin.gov or (920) 585-0277. For other questions, contact Luke Jewell at lucas.jewell@wisconsin.gov or (608) 354-6976.

Sincerely,

Dave Minkey

Dave Minkey
Air Management Engineer-Adv

cc: Kaitlyn Bencosme (Ramboll) – E-copy