Gianforte's Giveaways to Data Centers

A RAW DEAL FOR MONTANANS

By Anna Marie White

Montana stands at an energy and economic crossroads as large-scale data centers—driven by AI and high-performance computing demands—target the state. The proposed Quantica Infrastructure project, known as Big Sky Digital Infrastructure (or Big Sky Campus), exemplifies this trend. Located on over 5,100 acres south of Broadview in Yellowstone County (north of Billings), the development has drawn attention, scrutiny, and controversy since its announcement in 2025.

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Why are data centers suddenly targeting Montana? Governor Greg Gianforte has made recruiting them a top priority. He co-hosted summits with the Montana Chamber of Commerce, established the "Unleashing American-Made Energy Task Force" in 2025 to fast-track infrastructure for these projects, and signed a memorandum of understanding with Japanese multinational Mitsubishi Heavy Industries (MHI) to attract foreign investment specifically in data centers and power infrastructure projects in southern Montana. Mitsubishi Heavy Industries—one of Japan's largest corporations, specializing in heavy industry, energy systems, power generation, and large-scale infrastructure—is a foreign investor from Japan. The MOU, signed during a 2025 trade mission to Tokyo, formalizes collaboration to evaluate feasibility and potential investments that could include data center development powered by new or existing energy sources. The Montana Chamber of Commerce—long criticized for doing the dirty work of establishment corporations rather than protecting Main Street businesses and working families—is actively helping woo these high-energy users through joint promotions and events.

Here are three key takeaways from public reporting, filings, announcements, and related developments surrounding Quantica's plans:

1. **Massive Scale and Power Ambitions, with Ties to NorthWestern Energy** Quantica Infrastructure—a Texas-based company backed by private equity firm EnCap Investments—acquired over 5,100 acres in 2024 through its subsidiary Montana Property LLC, initially under the radar as agricultural land purchases. The site is positioned for a phased "energy and digital infrastructure campus" starting construction in 2026, with initial capacity targeting 500 MW and full expansion to 1 GW (1,000 MW). This would support AI, hyperscale, and HPC operations, integrating on-site renewables, battery storage, and grid connections. In July 2025, NorthWestern Energy signed a letter of intent to provide regulated electric service for the project, potentially starting as early as 2026 and scaling to full Phase 1 by around 2030. The 1 GW of power demand is the equivalent of powering nearly one million Montana households for a full year (based on U.S. Energy Information Administration residential consumption data showing Montana households average 9,308 kWh per year). That scale raises serious questions about how such enormous demand will impact affordability and reliability for existing ratepayers.

2. **Promises of Sustainability and Local Benefits, Amid Community and Legal Pushback** Quantica emphasizes "Montana values," renewable integration, low-latency fiber connectivity to major markets, and economic growth through skilled jobs and infrastructure. The company positions the campus as shovel-ready in parts, with grid power targeted for 2027 and a focus on sustainable, dispatchable energy. However, the project faces challenges: A February 2026 lawsuit from a Montana businessman alleges Quantica (via subsidiary Broad Reach Power) "stole" a prior data center deal by promising power access that never materialized. Broader community concerns include water usage in an arid region, potential strain on local infrastructure, and whether promised benefits truly flow to residents rather than distant investors. Environmental groups and observers have flagged data centers' overall impacts on water and energy bills.

3. **Part of a Larger Pattern: Corporate Priorities vs. Ratepayer Protection** Quantica's timeline and scale fit neatly into Governor Gianforte's push to attract energy-intensive industries. The NorthWestern letter of intent—combined with the utility's discussions on other developers—highlights how utilities navigate serving high-return large loads while managing regulated obligations. Yet Montanans are not getting the transparency they deserve. The same PSC majority—President Jeff Welborn, Vice President Jennifer Fielder, and Commissioner Annie Bukacek—that withdrew the Commission's protest at FERC (citing unspecified "errors" without ever explaining them) has repeatedly stepped aside when ratepayer protections were on the line. Meanwhile, NorthWestern Energy quietly transferred its 370 MW share of Colstrip Units 3 and 4—acquired for free—into an unregulated shell company (Colstrip 370Pu LLC), placing that valuable power beyond the direct regulatory control of the PSC so it could be sold on the wholesale market instead of benefiting Montana families. Governor Greg Gianforte himself weighed in directly. On January 29, 2026, he sent a letter to the Federal Energy Regulatory Commission (FERC)—the independent federal agency that regulates interstate electricity transmission and wholesale power sales across state lines—explicitly supporting NorthWestern's filings for the Colstrip 370Pu LLC (Dockets ER26-129-001 and ER26-411-001). In the letter, he urged FERC to approve the deal quickly, grant waivers, and make it effective retroactive to January 1, 2026. He argued this would protect Montana customers by keeping costs out of retail rates and ensure reliability.

Why does this matter for transparency? FERC approval is the critical federal step that finalizes the unregulated affiliate's ability to sell the 370 MW in wholesale markets (for example, to Mercuria Energy or large industrial users like data centers) with minimal ongoing Montana oversight. By personally intervening to push for swift, retroactive approval, the Governor helped accelerate the process and shorten the window for additional public comments, protests, or scrutiny at the federal level. How is that transparent when the state's top elected official is actively backing the very "shell game" structure that removes cheap Montana power from ratepayer control and PSC review? Critics see clear parallels: cheap Montana power is being positioned for corporate expansion and data centers while everyday ratepayers risk footing the bill for grid upgrades and higher rates. Grassroots voices have warned that without strong oversight, these projects redirect resources away from households, farmers, and small businesses. Quantica's integrated model (owning land, pursuing renewables, securing grid backup) may mitigate some risks, but the outcome hinges on transparent regulatory review.

Growing Calls for Oversight and Accountability

Even some regulators are sounding the alarm. Montana Public Service Commission (PSC) Commissioner Randy Pinocci, who is currently running for Senate District 12 in the Montana Legislature, has publicly expressed shared concerns about the unchecked growth of data centers.

"Data centers are a concern for many Montanans and I share their concerns," Pinocci stated. "The public needs to continue to reach out to me with their concerns so I can try to address them. Currently, data centers don't have any oversight in the State of Montana. The PSC doesn't regulate them. What could happen is, when I get to the legislature, I could draft legislation that would require data centers to supply their own power and water, address the level of property taxes that are appropriate as many localities are considering offering tax breaks which harm other local property taxpayers."

Pinocci's comments underscore a key frustration: Without stronger rules, data centers could continue benefiting from low property tax classifications (like Class 17 at 0.9% taxable valuation), potential abatements, and access to grid power/water resources—while everyday ratepayers, farmers, and homeowners bear the brunt through higher bills, strained infrastructure, and diverted supplies. His proposed legislative fixes—mandating self-sufficiency for power and water, plus fairer taxation—align with grassroots demands for protections that prevent cost-shifting and ensure any economic promises actually benefit Montanans, not just distant developers.

This project is not isolated—it's a flashpoint in Montana's evolving energy landscape. As AI-driven demand surges nationwide, developments like Quantica's Big Sky Campus test whether the state can capture economic upside without compromising affordability, reliability, local control, or our precious water resources. Are we shafting residents and farmers—whose livelihoods depend on reliable power and water—for the benefit of data centers that consume massive amounts of both? The stakes are high: decisions made now could shape ratepayer bills, grid resilience, community futures, and Montana's water supply for decades.

Montanans deserve full transparency from utilities, regulators, and developers to ensure these "big sky" ambitions benefit the Treasure State's everyday residents—not just corporate balance sheets.