June 9th, 2026

Joy Nicdao-Cuyugan
Director of Utility Research & Analytics, Public Utilities Bureau
Illinois Commerce Commission
527 E. Capitol Ave., Springfield, IL 62701

Re: IRP Stakeholder Workshop #3: Customer Cost Impacts Methodology

Dear Ms. Nicdao-Cuyugan,

The American Council for an Energy-Efficient Economy (ACEEE) is a nonprofit research organization based in Washington, D.C. that for more than four decades has been a leader on energy efficiency policy and analysis. Its independent research advances investments, programs, and behaviors that use energy more effectively while helping to build an equitable and affordable clean energy future across all sectors of the economy.

ACEEE is grateful for the opportunity to submit these comments on the IRP Customer Cost Impacts Methodology. In addition to our comment provided in the feedback form, we would like to submit additional comments on scenario analysis and modeling, included below.

ACEEE response to Question #1 in feedback form:

1. **E3 plans to conduct a revenue requirement analysis on a subset of scenarios looking at representative residential, commercial and industrial customer classes.**
   How should "commercial" versus "industrial" customer classes be defined for purposes of reporting customer cost impacts?

Large load industrial customers, including data centers, should be defined as a separate customer class. Illinois policy proposals to address data center load growth, outlined in Governor Pritzker's Framework on Data Center Policy, include proposals to create a separate data center rate class and require data centers to supply or pay for their own clean energy[1]. These policy proposals should be considered when modeling data center costs in the IRP, and data centers should therefore be modeled separately from the industrial customer class.

[1] Office of Governor JB Pritzker. June 5th, 2026. *Gov. Pritzker Pauses New Data Center Tax Incentives.* https://gov-pritzker-newsroom.prezly.com/gov-pritzker-pauses-new-data-center-tax-incentives.

Additional comments on scenario analysis and modeling:

ACEEE recommends that the IRP should model flexibility of large load customers and reflect the flexible load as a reduction in the planning reserve margin requirement. To quantify the benefits of flexibility, the IRP should run two scenarios for large loads: 1) One scenario that quantifies capacity and energy requirements absent demand-side management (DSM); and 2) A second scenario that quantifies the capacity contribution of DSM, including its effective load carrying capability (ELCC) and its impact on reducing planning reserve margin requirements. In a GridLab report analyzing NV Energy's IRP, 2 GW of data center flexibility was modeled to contribute approximately 1.5 GW towards the planning reserve margin, with a NPV of savings of $308 million[2].

Modeling the avoided capacity needs and avoided costs from data center flexibility will also provide information on the impact of large load flexibility on the grid capacity mix within future scenarios. In the analysis by GridLab of the impact of data center flexibility on NV Energy's IRP scenarios, the contribution of data center flexibility of approximately 1.5 GW towards the planning reserve margin resulted in lower firm capacity needs for natural gas in the gird capacity mix, and a delay in the need for additional clean energy resources[3].

Thank you for the opportunity to comment.

Sincerely,

Emily Sims, Senior Policy Associate, American Council for an Energy-Efficient Economy (ACEEE)

[2] Cox, Chris, Aaron Schwartz, and Derek Stenclik. 2025. *Bringing Data Center Flexibility into Resource Adequacy Planning: A Case Study of NV Energy*. GridLab. https://gridlab.org/portfolio-item/data-center-flexibility-nv-energy-case-study-report/.

[3] Ibid.