

IPA Integrated Resource Planning Workshop #3: Customer Cost Impacts Methodology

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Question 1

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 energy¹. 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.

Question 2

If “commercial” and “industrial” are defined using load thresholds, what threshold(s) do you recommend and why?

No comments at this time.

Question 3

For the stakeholder group(s) that you are representing in the IRP process, what are you hoping to learn from the cost impact analysis specific to the customer group you are interested in?

No comments at this time.

Question 4

E3 proposes to estimate the future delivery revenue requirement by starting with the current delivery revenue requirement and applying a growth rate based on historical authorized revenue

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>

requirement increases over the past 10 years, along with modeled additions for new transmission and distribution investments. Do you believe this is a reasonable approach for projections?

No preference

Question 5

If “Yes, but should be adjusted” or “No” was selected in the previous question, what adjustment is most appropriate?

Not applicable

Question 6

If “Use a different historical window” was selected in the previous question, what lookback period should be used to estimate the growth rate and why?

No comments at this time.

Question 7

Energy burden is defined as the percentage of a household's annual income spent on household energy bills. What baseline would be most useful for examining energy burden in the IRP (e.g., historical, business-as-usual, etc.)?

No comments at this time.

Question 8

Are there data sources available at the community or census-tract level in Illinois that should inform how EJ and equity investment eligible communities are identified and characterized?

No comments at this time.

Question 9

What are the most significant barriers to participation in existing programs for EJ and/or equity investment eligible communities, e.g. upfront costs, eligibility restrictions, lack of information, or structural factors like renter status?

No comments at this time.

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 million².

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 grid capacity mix, and a delay in the need for additional clean energy resources³

² Cox, Chris, Aaron Schwartz, and Derek Stenlik. 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-energycase-study-report/>.

³ Ibid.