IRP Stakeholder Comment: Customer Cost impacts Methodology

Document: IRP Stakeholder Workshop 3: Customer Cost Impacts Methodology
Submitted to: Joy Nicdao-Cuyugan, Stakeholder Meeting #3 Comment Form
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The CEJA Workforce Development Hub at Joliet Junior College appreciates the opportunity to submit comments on Workshop 3 of the Illinois Integrated Resource Plan and Resource Adequacy Mitigation Plan process. These comments build on our Workshop 1 submission dated April 21, 2026, and our Workshop 2 submission dated April 24, 2026. This submission responds to E3's proposed methodology for calculating customer cost impacts and also provides responses to the equity-related questions in the Workshop 3 Comment Form.

Our primary messages are:

This document is submitted as an attachment to supplement our form responses. Our comments focus on three areas of the proposed methodology and carry forward our previous requests:

• How the subset of scenarios for the detailed customer cost analysis will be selected, and what that subset should include.

• Whether the capacity cost assumptions in the model account for the possibility that projects take longer to build than expected.

• Whether DER-intensive scenarios reflect the full cost of deploying customer-side resources, including both program incentives and installation labor

Scenario Subset Selection for Customer Cost Analysis

E3's proposed methodology divides the cost analysis into two parts: a system cost analysis across all scenarios and a more detailed customer cost analysis across a subset of scenarios (Slide 9). During the Workshop 3 Q&A;, a stakeholder asked how the subset would be determined. E3 responded that the selection would depend on modeling results and coordination with the Agencies, and that the process is still being developed. When asked whether stakeholders would be able to see the metrics used, E3 indicated that documentation is to be determined.

The choice of which scenarios get the detailed customer cost analysis matters. The customer cost analysis is what translates system-level costs into projected rates and revenue requirements that decision-makers and the public can evaluate. Scenarios left out of this step will not have that translation, making it harder to compare them on equal terms.

We make two requests. First, that the Agencies publish the criteria used to select the subset before the analysis is finalized, so stakeholders can evaluate whether the selected scenarios represent the full range of relevant cost outcomes. Second, that the subset include at least one scenario testing the cost impact of development timeline delays. In our Workshop 1 comments, we proposed Sensitivity 1: testing what happens when resource deployment timelines extend by 12 to 18 months. That sensitivity is relevant here because delayed projects can change which resources are available to meet reliability needs in a given year, which affects both system costs and the capacity market prices that flow through to customer bills. If every scenario selected for the detailed cost analysis assumes on-time deployment, the analysis will not show what happens to customer costs when timelines slip.

Source: Workshop 3 Slides, Slide 9. Workshop 3 Q&A Transcript, May 26, 2026. Workshop 1 Comments, CEJA Workforce Development Hub, Joliet Junior College, April 21, 2026.

Capacity Cost Assumptions and Deployment Pace

E3's proposed methodology calculates capacity costs based on the net cost of new entry (CONE) of the marginal resource needed to meet reliability requirements (Slide 13). CONE is the cost of building the cheapest new resource that can keep the grid reliable, and it serves as the anchor for capacity market clearing prices in PJM and MISO.

The Workshop 3 presentation did not address whether the CONE assumptions in the model change if projects take longer to build than expected. If construction timelines extend for any reason, whether due to supply chain issues, permitting delays, interconnection backlogs, or labor constraints, the resource that is actually available to set the capacity price at a given point in time may be different from what the model projects. During the Q&A, E3 confirmed that the details of how capacity market prices will be calculated are still being finalized with the Agencies.

We are not proposing a specific alternative methodology. We are asking E3 to clarify whether the capacity price assumptions in the model are responsive to the deployment pace in each scenario, or whether they use a fixed value. If they are fixed, we request that E3 note this as a limitation and acknowledge that actual capacity costs could be higher in scenarios where deployment is constrained. This is a transparency question that applies to any source of construction delay and is consistent with our Sensitivity 1 request from Workshop 1.

Source: Workshop 3 Slides, Slides 10 and 13. Workshop 3 Q&A Transcript, May 26, 2026.

DER-Intensive Scenarios and Deployment Costs

During the Workshop 3 Q&A, a stakeholder observed that in scenarios with heavy reliance on customer-side resources like behind-the-meter batteries and smart thermostats, the program incentive costs needed to drive customer adoption could be significant and should vary by scenario rather than being held constant. E3 acknowledged that this is under consideration.

We agree with that observation and add that installation labor is another part of the same issue. Program incentives address customer willingness to participate. But the equipment still has to be physically installed. Smart thermostats, heat pumps with demand response controls, behind-the-meter batteries, and building energy management systems all require trained HVAC technicians, electricians, or energy efficiency workers to install. In our Workshop 2 comments, we raised this

point in the context of VPP deployment and submitted that installation labor availability should be considered as a factor affecting VPP participation assumptions.

For the customer cost methodology, the implication is straightforward: if DER-intensive scenarios assume high levels of customer-side deployment but do not account for the cost or availability of installation labor, the projected rates in those scenarios may not reflect the full cost of achieving the modeled resource mix. We request that E3 note installation labor availability as a factor that could affect both the pace and cost of customer-side resource deployment when documenting the methodology for DER-intensive scenarios.

Source: Workshop 3 Q&A Transcript, May 26, 2026. Workshop 2 Comments, CEJA Workforce Development Hub, Joliet Junior College, April 24, 2026.

Prior Workshop Requests

We carry forward the following requests from our Workshop 1 and Workshop 2 submissions. Each connects to the customer cost methodology:

- **Sensitivity 1 (Development Timeline Delays):** Testing 12- to 18-month deployment delays in the Base Case. Delayed projects change what resources are available and what they cost, which flows directly into customer bills.
- **Sensitivity 2 (Energy Efficiency Underperformance):** Testing energy efficiency achievement at 100%, 75%, and 50% of baseline targets. If efficiency programs underperform, load is higher than forecast, requiring more resources and increasing customer costs.
- **Sensitivity 3 (Equity Eligible Contractor Participation):** Testing EEC participation at low, medium, and high levels. Equity requirements may affect project costs and timelines.
- **DCEO Workforce Data:** Using the DCEO Illinois Clean Jobs Workforce Network Program Annual Report as a public data source to inform deployment assumptions. The cost methodology depends on deployment assumptions that feed into the revenue requirement calculation. If those assumptions are not informed by available workforce supply data, the cost projections carry that gap forward.

Source: Workshop 1 Comments, April 21, 2026. Workshop 2 Comments, April 24, 2026. DCEO Illinois Clean Jobs Workforce Network Program Annual Report, April 1, 2026. dceo.illinois.gov/ceja.html

Closing

Workshop 3 presents the methodology that will turn resource portfolios into projected customer costs. This is the point in the IRP where modeling assumptions become rate impacts that decision-makers and the public will evaluate. We have engaged with the methodology as presented and identified areas where deployment pace, installation labor, and scenario selection criteria could affect the accuracy and completeness of the cost projections.

We appreciate the opportunity to participate in this process and look forward to continued engagement through the remaining workshops and the ICC proceeding.