

Response of the Office of the Illinois Attorney General, Public Utilities Bureau
Integrated Resources Planning Workshop #3:
Customer Cost Impacts, May 26, 2026 IRP Presentation

The Office of the Illinois Attorney General (“IL OAG”) appreciates the opportunity to provide feedback on the May 26, 2026 Presentation on Customer Cost Impact Methodology for the State of Illinois Integrated Resource Plan (“IRP”). As IL OAG represents Illinois customers, our key goal is to ensure that any method used to determine customer cost impact for the IRP incorporates the needs for both reliable and least cost service.

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?

While E3 is analyzing total electricity costs, each component of those costs may require analysis of somewhat different customer group characteristics. For customer *delivery* cost impacts, E3 should define all classes consistent with the definitions of customer classes used by the utility that serves them with the caveat that when new classes are created, *e.g.* for load that exceeds 50 MW, the new class is analyzed as a separate class. For supply costs including energy, capacity and transmission provided by non-utility companies, the cost impact may depend on other factors, such as load factor and flexibility, whether they have on-site or co-generation, whether they participate in demand response, the use of intermittent supply and batteries, and whether the market discounts supply costs based on load factors. Where other factors are meaningful to supply related costs, E3 should take them into account in addition to utility rate classes.

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

Currently ComEd and Ameren Illinois use load thresholds for commercial and industrial classes, and those load thresholds should be used to determine cost impacts with the caveat that when new classes are created, *e.g.* for load that exceeds 50 MW, the new class is included in the E3’s analysis. If there are differences in supply cost impacts that justify a different or modified definition for supply charges, those differences should be identified.

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?

As set forth in Section 6.5 of the Attorney General Act, the Office of the Illinois Attorney General (“IL OAG”) represents “the public’s interest in adequate, safe, reliable, cost-effective” electric services. 15 ILCS 205/6.5. The IL OAG must assess how any proposed Integrated Resource Plan (“IRP”) contributes to these interests. This is not simply a question of understanding the cost impact analysis that is produced. It is about ensuring that the cost impact analysis is designed to produce a plan that provides insights that are accurate and relevant to protecting the public from unreasonable costs, properly assign costs to cost causers, and produce the best value for Illinois ratepayers while maintaining reliability.

As noted at the end of these comments (Other Thoughts), IL OAG has additional concerns regarding recent and pending changes in and challenges to state utility tariffs, PJM tariffs and market design, and FERC policies and orders. These changes touch on how costs associated with large loads will be allocated, or who pays.¹ These changes must be fairly and accurately incorporated into the cost impact analysis for the IRP.

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 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?

Using the historical delivery revenue requirement increases over the past 10 years may not be a fair representation of expected customer costs due to the change in regulatory treatment of delivery services. The use of formula rates based on certain investment mandates (e.g. installation of “smart meters”, distribution automation, pole replacement and investment in storm hardening) ended on December 31, 2022. 220 ILCS 5/16-108.5(b), (h). The Multi-year Rate Plan and associated Integrated Grid Plan did not take effect until January 1, 2024. As a result the rate changes over the last 10 years may not be representative of future delivery rates. Further, E3 should be cautious in modeling new transmission and distribution investments due to the importance of cost allocation, market design, and the need to protect Illinois ratepayers from the costs imposed by hyper-scale loads (i.e. data centers) that are currently being addressed at both the state and federal levels. Specifically, E3 should track costs caused by hyper-scale loads *requesting* service, and costs paid when those loads are brought online.²

For supply costs, the analysis should incorporate both historical prices (10 years) and recognize the changes driven by hyper-scale load additions.

¹ See, e.g., EL26-63, Maryland Office of People’s Counsel v. PJM Interconnection, LLC.

² See, e.g., Robert Walton, Data Center interconnection delays complicate demand forecasting: NERC | Utility Dive Utility Dive (2026), <https://www.utilitydive.com/news/data-center-interconnection-delays-complicate-demand-forecasting-nerc/820695/> (last visited Jun 18, 2026).

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

-Use a different historical window

-Align growth rate with recent multi-year rate plans (e.g., using recent approved increases as a forward-looking proxy)

-Other – Incorporate contemporary federal and state policies, orders, and tariffs to the extent possible.

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?

The historical window should be limited to the period covered by the Multi-year rate plan for delivery services. For supply costs, the analysis should incorporate both historical prices (10 years) and recognize the changes driven by hyper-scale load additions.

7. The agencies and E3 are seeking stakeholder feedback to inform our approach to equity as part of the IRP. 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.)?

In order to adopt an appropriate approach to “equity” that term must be defined. The Public Utilities Act defines equity as significantly broader than “energy burden.”

Equity: the fair treatment of consumers and investors in order that

(i) the public health, safety and welfare shall be protected;

(ii) the application of rates is based on public understandability and acceptance of the reasonableness of the rate structure and level;

(iii) the cost of supplying public utility services is allocated to those who cause the costs to be incurred;

(iv) if factors other than cost of service are considered in regulatory decisions, the rationale for these actions is set forth;

(v) regulation allows for orderly transition periods to accommodate changes in public utility service markets;

(vi) regulation does not result in undue or sustained adverse impact on utility earnings;

(vii) the impacts of regulatory actions on all sectors of the State are carefully weighed;

(viii) the rates for utility services are affordable and therefore preserve the availability of such services to all citizens.

220 ILCS 5/1-102(d). E3’s analysis of equity should address this statutory definition of equity and include public health, safety and welfare, cost causation, public acceptance of both the rate structure and the rate level. Electricity service is an inelastic monopoly service essential to modern life, and homes and businesses cannot operate without it. Further, electric rates are major inputs into other expenses, so increases in electric rates are associated not only with increases in electric bills but also increases in the price of the entire “basket of goods” households and businesses need to operate. Accordingly, when assessing equity E3 should focus on achieving least cost solutions for both supply and delivery services, reflecting the fact that all customers, whether they qualify and use low income programs or not, should expect that electricity service is being provided on a reasonable, least cost basis and be affordable. See 220 ILCS 5/8-101.³

If equity is understood to only refer to protecting reliable access to electricity service for low-income customers, then E3 should 1) identify who qualifies as low income, 2) apply the energy burden analysis used by the Commission in its orders adopting low-income discount programs for electric utilities, by the Department of Commerce and Economic Opportunity in administering LIHEAP and PIPP, and in the utilities’ Energy Efficiency Plans, and 3) consider the effectiveness of these programs when assessing equity defined strictly as limited to low income customers.

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 (EIECs) are identified and characterized?

E3 should use the same resources used by utilities and other agencies (including the Illinois Power Agency) to identify and characterize EJ and EIECs.

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?

It is unclear what “existing programs” this question refers to. If the question is related to the low-income discount rate programs, it is important to assess the level of participation and then assess both the barriers and the pathways used by participants. Ameren Illinois’s program does not begin until October 2026. Commonwealth Edison’s program was launched earlier this year

³ “Every public utility subject to this Act shall provide service and facilities which are in all respects adequate, efficient, reliable and environmentally safe and which, consistent with these obligations, constitute the least-cost means of meeting the utility's service obligations.”

and ComEd indicates that it has about 265,000 participants, including customers who were automatically enrolled due to their participation in the LIHEAP program.⁴

In relation to the electric Energy Efficiency (“EE”) programs in Illinois, the recently passed Clean and Reliable Grid Affordability Act (“CRGA”) dedicates a minimum of 25 percent of the electric EEP annual program spend to income-qualified households. 220 ILCS 5/8-103B(c). The revised EEPs are designed to achieve this end. Currently all low income or income-qualified EE weatherization programs are fully utilized and have waiting lists. It is currently difficult to assess the “barriers” to these low-income EE programs because the actual number of households served by the EE programs is not currently tracked by ComEd and Ameren, but the revised EE plans include reporting mechanisms to determine the number of households that utilize the EE programs.

It appears that the IPA’s Solar for All program is spending its budget, and further information is found here: <https://cleanenergy.illinois.gov/tracking-illinois-progress/illinois-solar-for-all.html>

Generally, barriers to participation are either budget limitations or a lack of information and administrative barriers. Programs that require a financial commitment from low-income households or households with unstable income or that reduce the benefits associated with the use of either energy efficiency or a renewable energy investment will make participation less attractive.

OTHER THOUGHTS TO BE SUBMITTED SEPARATELY:

There are several key questions unresolved in terms of the modeling for cost impact. Key among those questions are the following:

- What is the purpose of utilizing a two-part analysis to consider the system costs and customer cost impacts of different IRP scenarios?
- How will interconnection costs be included in any model?
- Given the recent and future changes at the ICC and in utility tariffs governing the treatment of large loads/ hyper-scale loads, how will these changes be incorporated into the models?
- Given recent and future changes at PJM in terms of capacity market design, how will these changes be incorporated into the models?

⁴ As reported at the June 16, 2026 ComEd Quarterly Community Round-table meeting. This includes customers who were automatically enrolled due to their participation in the LIHEAP program.

- Given the recent and future changes at FERC in terms of the treatment of large loads/ hyper-scale loads, colocation, and transmission cost, how will these changes be incorporated into the models?

Respectfully submitted,

/s/

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