



**Illinois Chamber of Commerce**  
Springfield Office  
215 E. Adams Street  
Springfield, IL 62701  
[www.ilchamber.org](http://www.ilchamber.org)

**May 12, 2026**

RE: Power Act and AI Subject Matter Hearing – Opponent – Ramiro Hernandez

Chairwoman Ammons, Vice-Chair Mason, Minority Spokesperson Severin, and members of the House Energy & Environment Committee. My name is Ramiro Hernandez, Vice President of Public Policy & Strategy for the Illinois Chamber of Commerce. I am here to express the Chamber’s strong support of the data center industry, and express our opposition to the Power Act, as contained under HB 5513 (Gabel).

The Illinois Chamber is proud to represent member companies of every size, sector, and region in the State of Illinois. As one of the state’s leading business organizations in Illinois that advocates for pro-growth policies, we strive to improve Illinois’s business climate for all Illinois employers.

Here in Illinois, we have much to be proud of, such as access to a world-class higher education system; a premier transportation and logistics hub; and a growing tech hub in the Midwest, especially with the creation of the Illinois Quantum and Microelectronics Park that we believe will continue to place Chicago and Illinois as leaders globally in tech innovation. Indeed, many of these major assets are a reason why companies continue to expand and invest in Illinois.

Underpinning all of these successes and future opportunities for economic development in Illinois is the essential infrastructure that supports business activity in the State. With a continued adoption of digital and cloud-based products and services by both consumers and businesses, now, more than ever, it is of paramount importance that we support investment in digital infrastructure. And that means supporting the data center industry.

It is clear that the industry has been a driver of economic activity. According to the Illinois Department of Commerce and Economic Opportunity’s (DCEO) 2024 “Data Center Investment Program Annual Report,” there are 27 data center owners and operators that have participated in the Data Center Investment Tax Exemption and Tax Credit program first created in 2019. The data center investment program is an economic development tool that the Illinois Chamber has supported from its inception and remains one of biggest economic development success stories in recent history—representing a combined reported investment of \$15.7 billion dollars, with several of these projects located in underserved areas.

Targeting the industry and imposing new regulations can risk undoing these successes. HB 5513, while seeking to promote resource management and environmental protection, unfairly imposes far-reaching and onerous regulations that will very likely discourage continued investment in Illinois and make Illinois an uncompetitive market for this rapidly growing industry.

Below I outline several concerns I have with the comprehensive regulatory package contained under the so-called POWER Act.

### **1. Imposes Onerous Regulations That Add Regulatory Burdens.**

The legislation adds an overarching regulatory regime that, collectively, represent a prohibitive regulatory landscape that imposes new, broad processes that treat these economic development projects in an adversarial manner.

The following provisions represent significant concerns for future developments:

- The legislation significantly narrows the allowability to use essential backup generation capabilities by imposing new regulations on diesel-powered and natural gas-powered backup generation.
- The new restrictions that outright prohibit the construction, establishment, or expansion of data centers in either the City of Chicago, EIECs, and surrounding areas sends the wrong message to the industry.
- The new mandatory compliance with a Cumulative Impact Assessment requirement under the EPA Act represents an incredible new set of requirements on future projects by introducing broad criteria that negatively impact a project's ability to be placed in service.
- There is an elimination of standard and commonly used processes that economic development projects use when negotiating an investment in a unit of local government (i.e., non-disclosure provisions).
- Imposes new requirements that compel projects to enter into legally-binding and rigid agreements (e.g., community benefits agreements) that do not value industry priorities or needs.
- Compels the industry to disclosure private and sensitive energy usage information that runs counter to standard business practices.
- Creates significant new water utilization disclosures on the industry and demands several new reporting requirements.
- Lastly, the new regulations, including the new rule-making authority provided to State agencies, means that that the industry will be operating under a tremendous amount of uncertainty and may see permits and projects stall.

### **2. Adds Significant New Costs on the Industry**

Additionally, the legislation will significantly raise costs on the industry and create new direct fee and surcharge structures that will increase the overall cost of projects and essential services provided by hyperscale data centers. This includes the following:

- The new Hyperscale Data Center surcharge, while generating revenue for the new Hyperscale Data Center Public Benefits and Affordability Fund, will create new fees ranging from \$2 million to \$12 million per year.
- There is a new Water Impact Permit fee levied on owners and operators of data centers that range from \$20,000-\$60,000 on an annual basis, in addition to creating new separate service fees of \$50,000.
- The new Hyperscale Data Center Tariff will represent a significant cost driver to the industry, and this will continue to impact the cost of providing these essential services to customers in Illinois.
- Lastly, the overall compliance cost that will be borne by industry to merely meet the vast new regulatory demands required by the bill will make investments in infrastructure and technologies extraordinarily difficult.

### **3. Imposes Restrictive Policies on Energy Resources Available to Industry**

Whether it is the new requirements placed on industry concerning mandated energy codes on the hyperscale data center industry, or the promotion of specific forms of energy systems (e.g., battery energy storage, Bring Your Own policies, VPP programs), the construction of complex REC computations under a modified self-direct program, and the new onerous restrictions on the allowable use of natural gas-powered or diesel-powered back generation, the bill prioritizes certain types of energy systems or procedures and does not take into account industry best practices. This bill also removes flexibility that is necessary to ensure that resource adequacy and energy demand is met. By placing these requirements, the legislation creates a challenging energy environment for this essential industry to deliver the level of service that is required by customers that, in many instances, require 24/7 operations.

For the reasons above, we urge members of this Committee to not advance overly burdensome regulations on the data center industry such as those contained under HB 5513. The Illinois Chamber understands that energy affordability, access to clean resources, and economic development are goals the General Assembly have championed in recent years. These are all goals that the Illinois Chamber supports, and we hope to continue to work on with our partners in the General Assembly and beyond. However, striking the right balance amongst these priorities is key to producing sound policy.

Unfortunately, the proposal before you today misses the mark. Therefore, the Illinois Chamber is opposed to this legislation.

Thank you for your time and consideration.