



Strategies to Navigate Rapid Electricity Demand Growth

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With headlines warning about the impending disaster that renewed demand growth will bring to the United States appearing almost daily, it can be hard to imagine that the arrival of new large electricity loads can be a good thing. RMI has worked tirelessly to develop strategies to meet this demand without sacrificing either speed of deployment or ratepayer protections. Economic security for everyday utility customers need never come at the expense of the energy security of large load customers.

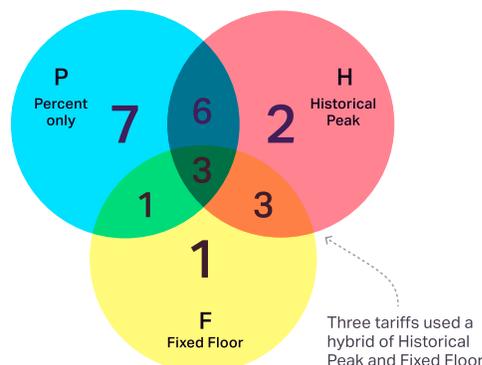
What tariffs can do to protect ratepayers

Large-load tariffs — which include special contracts, rates, and service agreements between utilities and large-load customers — are a rapidly deployable and flexible tool for bringing new load onto the grid while minimizing the risk to ratepayers.

Because tariffs are flexible legal structures, what they can achieve depends entirely on how they're designed. Regulators can ensure large load tariffs are designed with safeguards that help shield ratepayers from the costs and risks of large load additions. RMI's [most recent article](#), *Large Energy Users*

Minimum monthly billing demand

Numbers equal number of tariffs using each mechanisms/combination of mechanisms to set Minimum Monthly Billing Demand.



*excludes:
Other/Custom = 16
Not included = 11

Source: [Halcyon.io](#)

Mechanisms		
P	Percent only A percent of contracted energy (e.g., a customer contracted for 100 MW needs to pay for at least 85%)	7
H	Historical Peak Whatever a customer's historical peak is	2
F	Fixed Floor All customers will pay for at least 50 MW	1
Hybrids		
P + H	Six tariffs used a hybrid of Percent and Historical Peak	6
H + F		3
F + P		1
P + H + F	Three tariffs used all three mechanisms	3

Want Power. Here's How to Protect Other Ratepayers from the Costs, lays out how different ratepayer protections are being adopted in state-level tariffs nationally, leveraging insights from Halcyon's Large Load Tariff Tracker.

As you can see from the graphic on the previous page, one of large-load tariff's most important ratepayer protections is the minimum monthly billing demand that sets the lowest level of demand a large energy user is required to pay for each month, even if they use less.

The ways in which different states are adopting minimum demand charges vary. The article breaks down these and the gamut of other rate payer protections.



Use the QR code to read more about large-load tariffs.

Fast and affordable data center deployment with VPPs

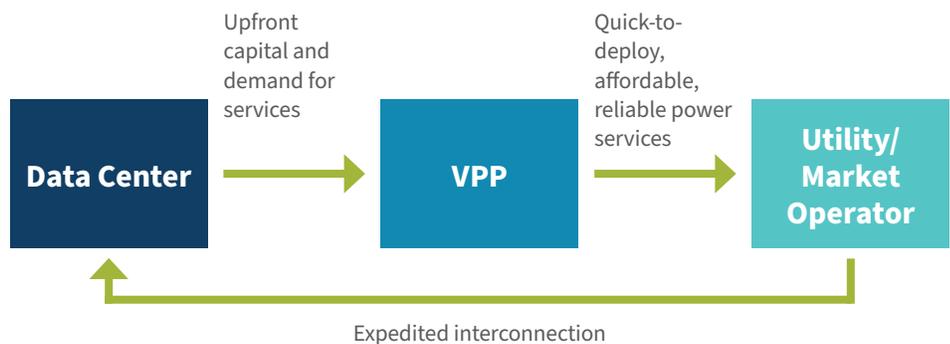
With headwinds to conventional energy generation buildout and advances in the AI race making headlines on an almost-weekly basis, finding solutions that can support data center energy needs at the speed of innovation is a top priority.

In a [new insight brief](#), *How Virtual Power Plants Can Help the United States Win the AI Race*, we offer three novel commercial models the industry can leverage to build capacity through virtual power plants (VPPs). These models can unlock large

load-driven VPPs at scale by balancing the risk of grid innovation between utilities, VPP developers, and large customers — aligning incentives and unlocking new pathways for rapid deployment. In turn, this could benefit us all — strengthening reliability, lowering costs, and powering the next wave of US economic growth.



Use the QR code to read more about data centers and VPPs.



Planning for Load Growth at Speed

As data centers rush to connect to the grid when and where they can, demands on utilities are greater — and more uncertain — than ever. In the past few years, we've seen utilities and regulators upending their typical planning cadences because they're simply not fast enough to respond to growing data center demand. Utilities and regulators have an opportunity to redesign IRPs to meet this period of rapid and sustained load growth while preserving the level of rigor needed to support decision-making.

Changes to the planning and

procurement process can help make analysis more timely and more relevant to customer needs:

- **Make planning faster:** Use smaller updates with more replicable and automated approaches that are run quarterly or annually in addition to multi-year IRPs.
- **Use adaptive planning:** Identify least-regrets investments across a wide variety of potential scenarios, rather than long-term commitments to a single potential future.
- **Integrate customer needs on an**

ongoing basis: Leverage tariffs and other ad-hoc procurement windows to collect data that refines planning assumptions.

Building fast doesn't have to come at the expense of thorough oversight. Read more in *Rewiring Utility Planning for the Age of Rapid Load Growth*.



Use the QR code to read the article.